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20 September 1982

SOUTH AND EAST ASIA REPORT

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CONTENTS

BANGLADESH

Paper Reports 'Hate Bangladesh Campaign' in India (HOLIDAY, 8 Aug 82)	1
Speculation on Motives Handling of Vested Property, by Sirajul Hossain Khan	
Poor Outlook in Foreign Aid Climate Seen (Hossain Khasru; HOLIDAY, 8 Aug 82)	5
Revised Annual Development Plan Approved (THE BANGLADESH OBSERVER, 10 Aug 82)	9
Somali Special Envoy Holds Press Conference (THE BANGLADESH OBSERVER, 11 Aug 82)	10
Ershad 10 Aug Speeches, Activities Reported (THE BANGLADESH OBSERVER, 11 Aug 82)	11
Government Considers Aspects of Manpower Export (THE BANGLADESH OBSERVER, 11 Aug 82)	14
Signing, Details of Protocol With PRC Reported (THE BANGLADESH OBSERVER, 12 Aug 82)	16
Government Officials Directed To Report Property (THE NEW NATION, 12 Aug 82)	18
Final Report on Census Results Not Possible This Year (THE NEW NATION, 12 Aug 82)	19
Minister Reports Agricultural Loan To Be Distributed (THE BANGLADESH TIMES, 13 Aug 82)	20

Rural Development Projects Planned for Current Year (THE BANGLADESH TIMES, 13 Aug 82)	21
Director of Asian Development Bank Office Interviewed (THE BANGLADESH OBSERVER, 4 Aug 82)	22
Plan Rationalization Committee Makes Recommendations (THE BANGLADESH OBSERVER, 4 Aug 82)	24
Report on Iraqi Foreign Minister's Departure (THE BANGLADESH OBSERVER, 4 Aug 82)	26
Ershad Addresses Dacca Ward Committees, Others (THE BANGLADESH OBSERVER, 6 Aug 82)	28
Plans for Future Told Pragmatic Foreign Policy	
Minister Says Foodgrain Stocks Sufficient (THE BANGLADESH OBSERVER, 6 Aug 82)	31
Repatriation of Nonlocals May Begin in September (THE BANGLADESH TIMES, 7 Aug 82)	33
Writer Gives Statistics on Rural Land Ownership (Hasnat Abdul Hye; THE BANGLADESH TIMES, 8 Aug 82) ..	34
Briefs	
Land Administration Board	38
New Cuban Ambassador	38
World Bank Loan	38

INDONESIA

Ten Counter Trade Agreements Signed (SINAR HARAPAN, 10 Aug 82)	39
Higher Tax Collection Targets for 1982/1983 (MERDEKA, 6 Aug 82)	41
Construction of Sailing Ships in Indonesia (SINAR HARAPAN, 9 Aug 82)	43
Explosives Found in Singapore Straits (SINAR HARAPAN, 4 Aug 82)	45

NEPAL

Briefs

Sfry Envoy Presents Credentials

47

PAKISTAN

Conspiracy of Administration, Political Group Charged (JASARAT, 19 Jul 82)	48
Actions of Two Superpowers in Lebanon, Afghanistan Denounced (Abdul Qadar Hasan; NAWA-I-WAQT, 7 Jul 82)	50
Public Corporations Condemned; Plea for Private Investment (Editorial; JASARAT, 20 Jul 82)	52
Wheat Target in Doubt; Other Targets Reviewed (DAWN, 22 Aug 82)	54
Opposition to Bar Council Act Amendment (Editorial; JASARAT, 22 Jul 82)	56
More Experiments With New Plants, Crops Urged (DAWN, 22 Aug 82)	58
Steel Mill May Break Even By 1985 (DAWN, 22 Aug 82)	60
Panels on Farm Scientists Set Up (DAWN, 22 Aug 82)	62
New Volume of Partition Papers Published (Yehia Syed; DAWN, 22 Aug 82)	63
Incentive To Private Sector Discussed (Zakir Husain; DAWN, 22 Aug 82)	64
Delay in Enforcing Urdu Deplored (DAWN, 17 Aug 82)	67
Decisive Action Suggested for Eradication of Social Evils (Editorial; DAWN, 17 Aug 82)	68
Dependence on Foreign Technology in Oil Search Criticized (Editorial; JASARAT, 27 Jul 82)	70
Briefs	
Notice Served on Journalist	71

IJT Meeting in October	71
Human Rights Conference Planned	71
Bar Amendment Criticized	71
Export Restrictions Relaxed	72
Ban in Chitral	72
National Science Council Reconstituted	72
Semester System Report Urged	72
Islamic Banking Training	72

PHILIPPINES

Enrile Lectures Priests on Church-State Relations (Mel Parale; PHILIPPINES DAILY EXPRESS, 8 Aug 82)	74
Salonga Heads Revamped Liberal Party (David C. Borje; PHILIPPINES DAILY EXPRESS, 6 Aug 82) ...	75
Columnist Critical of Classifying Church With Media (Ninez Cacho Olivares; BULLETIN TODAY, 17 Aug 82)	77
Columnist Examines NPA Strength (Jesus E. Bigornia; BULLETIN TODAY, 18 Aug 82)	78
Economy Less Vulnerable Says Bank Director (BULLETIN TODAY, 19 Aug 82)	79
New Geothermal Policy Evolves (BULLETIN TODAY, 19 Aug 82)	80
Probe of Deaths in Isabela Ordered (BULLETIN TODAY, 19 Aug 82)	82
Human Rights Implications of Olalia Arrest Viewed (Editorial; BULLETIN TODAY, 19 Aug 82)	83
General Warns Newsmen of Criticism of Army (Ruben Oliver Ensoy; BULLETIN TODAY, 18 Aug 82)	84
Guidelines on National ID Plan Submitted (BULLETIN TODAY, 18 Aug 82)	85
Rice Pricing Policy Examined (Editorial; BULLETIN TODAY, 17 Aug 82)	86
Government To Review Import Priorities (PHILIPPINES DAILY EXPRESS, 7 Aug 82)	87

Bars on Export of Skilled Labor Questioned (Jesus Bigornia; BULLETIN TODAY, 20 Aug 82)	88
---	----

Briefs

Coconut Export Receipts Dip	89
Oil Consumption Declines	89
Opposition on Transition Government	90
Palay Rice Crop Down	90

THAILAND

Deputy Defense Minister Discusses Budget, Arms Manufacture (Samut Sahanawin Interview; SU ANAKHOT, 8-14 Aug 82) ...	91
--	----

Columnist Hits Foreign Exploitation of Gas Fields (Anut Aphphirom; SU ANAKHOT, 8-14 Aug)	96
---	----

Thai-Khmer Border Area Described by Correspondent (PHYA KHRUT, various dates)	98
--	----

Aranyaprathet Loses 'Boom Town' Atmosphere, by
Surin Maisikrot
Border Trading Said Sharply Down, by Surin Maisikrot
Area Residents Lose Fear of War, by Surin Maisikrot
Villagers Buy Khmer Relief Rice, by Surin Maisikrot

PAPER REPORTS 'HATE BANGLADESH CAMPAIGN' IN INDIA

Speculation on Motives

Dacca HOLIDAY in English 8 Aug 82 pp 1, 8

[Text] Is the recent anti-Bangladesh campaign in India just journalistic overkill of the chauvinistic Indian press? Had it been so Bangladesh could have ignored it at ease; the Indian press has never been known for its objectivity or ethical standard.

But when responsible leaders including the External Affairs Minister of India joins the vile campaign against a neighbor the issue takes a different dimension.

Narasimha Rao reportedly told the Indian Loksabha on July 29 that he had reasons to believe that the terrorists of the Mizo National Front (fighting for the independence of Mizoram) had been operating from Chittagong Hill Tracts in Bangladesh.

Mr Rao was not the lone starter of calumny against Bangladesh. The Indian deputy defense minister also made a regrettable comment about the position of disputed South Talpatty Island.

This leads to the emergence of a distinct pattern in the "hate Bangladesh campaign" in India. And Bangladesh has reasons to be concerned about it.

While Bangladesh dismisses the campaigns officially as "motivated, mischievous and totally baseless," the Indian press continues the tirade.

It has accused Bangladesh of aiding the Mizo nationalist fighters, of violating minority rights involving vested property, for protracted disturbance in Assam on the question of "foreign settlers," for demanding joint survey of the South Talpatty Island which India has illegally occupied, and on top of everything for the long-drawn issue of Ganges water.

Besides a section of the Indian press has also spread the motivated story that Bangladesh has conceded a foreign base to a superpower on St. Martin Island. One Indian newspaper also ran an absolutely untrue report that the leader of Mizo National Front (MNF), Lal Denga, visited Bangladesh.

The Indian motives behind the propaganda is not-clear to observers here, particularly since it has begun following a period of comparative stable relationship for which there has never been a dearth of endeavor on the part of Bangladesh.

Scapegoat

Some sources tend to believe that the intensification of the nationalist movements in Mizoram, Nagaland and other north eastern provinces in India, known as the Seven Sisters, has led India to find a scapegoat in Bangladesh for diverting the attention of the Indian people.

The nationalist movements that have been going on in Mizoram, Nagaland, Assam and other parts of India are the making of India itself. The economic, religious, linguistic and cultural suppression of the Mizes, Nagas and other ethnic minority groups by the Delhi administration through is all too well known. There are harrowing tales of oppression of the tribal population by the Indian regular armed forces engaged in eliminating the Mizo and Naga fighters.

There is no reason for Bangladesh to get involved in the internal troubles of India, Bangladesh Foreign Ministry, though, has failed to outline the Indian motives behind the recent campaign.

The twentyfive-year so-called friendship treaty between the two countries provides that neither of them will allow any antistate activities against each other from their soil. Bangladesh on its part has stood by this provision and India knows it well.

On the other hand, India gave shelter and assistance to anti-state elements of Bangladesh and allowed them to operate from her soil following the change of government in Bangladesh in August 1975.

Misdeeds

The timing of the Indian campaign also coincided with the recent violent communal riots in the Indian capital New Delhi. The record of communal harmony in Bangladesh is quite bright. India by bringing unfounded allegations that minority groups in Bangladesh are discriminated against, appears to have been trying to hide its own misdeed. Such provocations from outside may harm the cause of communal amity.

There is also a feeling among observers that the Indian game may be for something more serious. Indian might intend to put strong pressure on its neighbor to bind it into some unequal treaties on sharing the Ganges water or economic relationship.

India is learnt to have cancelled a scheduled meeting of the joint rivers' commission on the issue of Teesta waters scheduled for July 29. The Bangladesh delegation prepared to leave for India on July 27 for the meeting but the local Indian high commission informed the foreign ministry about Indian's unwillingness to hold the talks.

The proposed visit to India by the chief martial law administrator also hangs in the balance. India does not want the visit to materialize before October, it is gathered.

Whatever may be the motive of the organized Indian campaign, Bangladesh is not ready to capitulate. It is refreshing that the country's determination to face external odds has been aptly voiced recently from the highest quarter.

Handling of Vested Property

Dacca HOLIDAY in English 8 Aug 82 pp 1, 8

[Article by Sirajul Hossain Khan]

[Text] The sudden, organized spurt of Indian Press canard and false allegations by their government leaders against Bangladesh on the handling of vested (or-so-called enemy) properties, or about Mizo activities and South Talpatty have been rightly served with sharp rejoinders by the Foreign Office.

The allegations are indeed "motivated, mischievous and baseless". But, however, one expects that the Ministry of Foreign Affairs should spell out the 'motives' of the Indian propaganda for the benefit of the people of both Bangladesh and India or elsewhere.

For, these sorts of bad, disgraceful deals or games by Indian leaders should be thoroughly exposed to the world.

For instance, the tale about vested property need be told with basic facts. The foreign Office statement of July 31 narrated only the legal, and not social aspects. It should have collected and released more information from the Ministry of Land Administration and Land Reforms which is entrusted with their handling.

Nowadays, it is hardly known or said that many of the properties of migrants to India, which form the subject of vested property, have undergone multiple sales over the decades, that corrupt political leaders and workers and other elite of the society (minorities not excluded) belonging to or supporting ruling parties at different times abused their official or social position to misappropriate such properties, in collusion with or against the will of their former owners, to the great losses of the state or of the needy people of the country, or that only a small fraction of the properties has been recorded with the government as 'enemy' property' whose ownership has vested with the government.

Facts

The fact is that about 70 per cent of landed properties in this country were owned or held by members of the minority community (who constituted about one-third of the total population) at the time of the partition of British India into two states of Pakistan and India. Of them, nearly 80 per cent left the country for settling in India. (Similarly, many Muslims came over to this country from India.)

Thus, very few of the vast properties, left here by Hindu migrants, could be recorded as vested ones during the 1965 India-Pakistan war.

The bulk of those underwent fictitious sale (some a number of times), or some kind of illegal transfer through unlawful payments by 'hoodni' before the enactment of the so-called enemy properties in 1965. Their expropriators suppressed facts about them or their very existence in collusion with local officials concerned.

These are also known facts that the 'Mujibnagar' Government of Bangladesh in Calcutta 1971 and the Mujib Government in 1972 by President's Order No. 29 upheld the laws of 1965 about governing the enemy or vested property, and that many of those who misappropriated the properties of migrants before or after the enactment of these laws during different regimes, made it a political issue to suit their own purpose.

And obviously it is in support of some of these cunning fellows again too that there now comes the false Indian allegation of the application of the said enemy property laws "with discriminatory intent against the minority Hindu community."

Illegal Occupation

In any case, the whole issue of the vested property should be resolved by recovering the misappropriated ones and distributing them among landless and poor peasants, along with government's khas lands, irrespective of caste, creed or religion.

Simultaneously, the genuine citizens of Bangladesh must get their rightful dues in respect of vested properties.

We would also refer here to the repeated but mostly abortive efforts about recovering abandoned properties in urban areas. Lately, again, the Works Ministry has made a fresh move in the matter. If the administration deals with the matter firmly without any fear or favor, a fairly full solution can be found to this vexed problem too.

Solutions must be there with regard to both vested and abandoned properties. But it may be observed that the former is seldom talked about with a view to helping the deserving peasants and punishing the expropriators in the interests of the nation and the country's agriculture.

CSO: 4220/7777

POOR OUTLOOK IN FOREIGN AID CLIMATE SEEN

Dacca HOLIDAY in English 8 Aug 82 pp 1, 8

[Article by Hossain Khasru]

[Text] With external aid disbursement in the post-independence period totalling 8.9 billion US dollars till the close of the financial year in June '82, Bangladesh had to pay roughly 90 million dollars, i.e. about 13.8 percent of the country's total export earnings on account of external debt servicing in 1981-82.

The debt-servicing liability has, of course, been still well below the limit of twenty percent of export earnings set by the Pearson Commission for the 'developing countries'.

But that hardly provides much solace for one of the least developed nations in the developing Third World.

The grim international aid scenario, marked by heavy cuts in aid funds by the major donor countries, uncertain prospects about replenishments of funds for concessionary lending programs of multilateral aid agencies, recession in world trade, economic stagnation in the industrial countries, high interest rates in the leading developed economies, and weak commodity prices have created serious causes for concern for Bangladesh as for other similar LDCs.

External aid uncertainties in a situation where export earnings have been plummeting due to fall in the export price index and import prices, making each unit of import demand more and more units of exports, offer only a sordid spectacle in the immediate future.

For Bangladesh where, under the given institutional framework and structural mode of production within the economy, it is difficult to find enough resources simply for 'demographic investment' that would just retain the availability of goods and services at a static level for a rising population, the implication for any reduced flow of soft-term concessionary external assistance could only be too grave.

According to official estimates, close to eight percent of Gross National Product is required to be invested for 'demographic investment' purposes alone.

Such a level of savings under the present set of circumstances is not generated within the economy, making reliance on external assistance 'inevitable'.

Tight Corner

If soft-term concessionary assistance from major donor countries and agencies is reduced as a result of any aid squeeze in the present unfavorable international climate, Bangladesh would indeed be placed in a tight corner to meet the deficits in the current account trade balances which totalled Tk. 2991 crore (1226m-dollars) alone in 1981-82.

The projection about the country's balance of payments position in 1982-83 has been made at an estimated level of trade imbalances on account at 1325 million US dollars for the current financial year.

Any recourse to hard-term borrowings or short-term commercial loans from abroad to meet the deficits will only mean deterioration in the debt-servicing situation for Bangladesh in the immediate future.

The external liquidity crisis in 1981-82 had already forced the country to borrow money from foreign markets to a substantial extent on short-term basis.

According to official estimates, the total hard-term borrowing by Bangladesh till June '81 was 396 million US dollar of which outstanding debt in November '81 was 235 million dollars.

Though no official figure is available about the hard-term loans and short-term commercial borrowings in 1981-82, the amount would certainly exceed the level of 55 million dollars contracted in 1980-81.

In the event of the country's failure to keep short term and commercial borrowings under control, the situation will turn too grave with debt-servicing liability going up when repayments on loans with ten-year grace period become due.

The situation of Pakistan can be cited here. According to the latest report on foreign economic assistance, out of each dollar received at present by Pakistan 80 (US) cents have to be repaid in the form of old debts with only 20 cents retained for development financing.

Bangladesh's debt-servicing payments have been estimated at 144 million US dollars under the balance of payments projection for 1982-83. The debt services will as such include MLT repayments worth 85 million US dollars and food loan repayments amounting to 59 million dollars.

Debt service payments included in the projection of balance of payments for the year are based on the schedule of debts already contracted. Actual debt-servicing will be influenced by the extent of foreign market borrowings resorted to during the year.

The FOB exports of the country for 1982-83 have been projected at 685 million dollars and the CIF imports at 2380 million dollars. After taking into consideration the payments and receipts on services and private transfers (net) accounts, the aggregate imbalance on overall current balance in the external sector of the economy will stand at 1325 million US dollars under the projections.

This aggregate imbalance in current account, coupled with debt service payments, will be met by receipts under capital account and others to the tune of 1310 million dollars (with projection for food aid disbursements at 220 million dollars, commodity aid at 480 million dollars, and project aid at 610 million dollars).

The short-term external borrowings (net) have been projected at 83 million US dollars, giving a negative balance of (-) 242 million dollars in the overall balance of payments position of the country in 1982-83.

Debt-service payments included in the projection of balance of payments for the year are based on the schedule of debts already contracted.

The debt-servicing payments of Bangladesh which, in effect, began in 1973-74 with the disbursements of loans contracted in 1972-73, totalled 691.09 million US dollars till June 30, '82.

This amount included payments in foreign currency to the tune of 531.16 million dollars and payments in local currency worth 99.93 million dollars.

Payments in foreign exchange mean free foreign exchange remitted to donors and payment in local currency mean that the donors utilized the amounts of interest and principal deposited in the commercial banks of Bangladesh through the purchase of exportable goods from the country.

The debt-service payments (both in foreign exchange and local currency) as such included 270 million dollars on account of interest and another sum of 360.86 million dollars on account of principal/down payments.

The amounts of debt servicing have widely fluctuated over the years. A number of donor agencies and countries have also provided debt-relief facilities for Bangladesh over recent years.

According to official estimates, debts amounting to 575.6 million US dollars were converted into grants by several donors till June 30 '81.

Of the total amount of 8.9 billion US dollars external assistance disbursed to Bangladesh till June 30 '82, grants amounted to 5.65 billion dollars and loans to 4.26 billion dollars.

The net foreign capital inflow in real terms (which is calculated by deducting interest payments and amortization on external loans from the gross capital inflow and deflating the amount by Import Price Index) would however be much lower than the amount disbursed to the country in nominal terms over the years.

The draft Second Five Year Plan document projected aid disbursements to Bangladesh at the level of 2.2 billion dollars in 1984-85 (at 1979-80 constant dollars) from the actual level of 1.4 billion dollars in 1979-80.

The trends over the first two years of the plan period now indicate that the disbursement level in 1984-85 at constant 1979-80 dollars would be difficult to maintain.

About the pattern of aid-absorption into the economy, it is to be noted that food aid constituted 28.18 percent of total external assistance disbursed to Bangladesh since December 17, '71 to June 30, '82.

The share of non-project disbursements stood at 40.39 percent, and that of project aid at 31.43 percent.

Thus, the combined share of food and non-project and in aggregate aid disbursements was 68.59 percent. This pattern of aid absorption while raising the debt burden of the economy has failed to create necessary productive capacities for servicing debt.

One paradox of the aid situation in Bangladesh has been related to commodity aid, disbursement from which generates counter-part funds with which local currency expenditure on development projects is largely financed. The declining trend in commodity aid disbursements in the face of inadequate local resources has been responsible for lower level of project aid utilization as project aid disbursement is hindered by matching taka resources.

CSO: 4220/7777

REVISED ANNUAL DEVELOPMENT PLAN APPROVED

Dacca THE BANGLADESH OBSERVER in English 10 Aug 82 p 1

[Text] The National Economic Council on Monday approved the revised Tk. 2,700 crore Annual Development Programme (ADP) for the current fiscal year and decided to simplify the process of releasing funds for quick execution of the projects, reports BSS.

The ADP aimed at economic growth rate at six point four per cent was approved at a meeting presided over by the Chief Martial Law Administrator Lt. Gen. H.M. Ershad, an official Press release said on Monday night.

The total outlay of the ADP would comprise Tk. 1,667 crore from domestic resources and Tk. 1,013 crore as project aid.

Besides Tk 160 crore would be spent on Food-for-Work Programme.

Tk. 12.73 crore would also be spent by the implementing agencies from their own resources for projects outside the ADP.

The ADP incorporates 1128 projects. An amount of Tk. 2111.15 crore was allocated for 532 projects taken up on priority basis under new programme. All-out efforts would be made to execute the projects taken on priority basis.

Under the revised ADP the total allocation of Tk 861.88 crore was made for agriculture rural development and organisations under agriculture and rural development and flood control and water resources.

In addition, Taka 140 crore was earmarked for execution of projects under local authorities of the district and hana levels.

Fifty-three per cent of the overall development expenditure would be made on directly productive sectors. Thirty three point eight per cent of the allocation of funds would be for those which contribute towards increasing export earnings and reducing imports for balance of payment in foreign trade.

The economic growth rate in the ADP will be six point four per cent in agricultural production seven point one per cent industrial sector five point five per cent and in other sectors four point five per cent.

The process of release of funds for quick implementation of the new programme would be made easier. Project directors would be given necessary financial and administrative powers for the execution of the projects.

SOMALI SPECIAL ENVOY HOLDS PRESS CONFERENCE

Dacca THE BANGLADESH OBSERVER in English 11 Aug 82 p 1

[Text] Mr. Adam Isaak Ahmed Special Envoy of Somali President Siad Barre concluded his three day visit to Bangladesh on Tuesday expressing satisfaction over his talks with CMLA Lt. Gen. H. M. Ershad and Foreign Minister A. R. Shamsud Doha on the current situation caused by armed attack on Somalia, reports BSS.

The Special Envoy who arrived in Dacca on Sunday called on the CMLA on Monday night and handed him over a message from President Barre.

Addressing a hurriedly called Press conference at the State Guest House, Mr. Isaak Ahmed said that his visit to Dacca was to explain to Bangladesh leaders the situation in the Horn of Africa particularly the situation arising out of armed attacks by Ethiopia on Somalia.

The Special Envoy said that in its latest attack from Jul 1 to 15, the Ethiopians killed 150 Somalis injured 200 others and damaged many schools mosques and houses. He said because of Ethiopian acts of killings and atrocities about 18 lakh people had so far fled to Somalia for refuge

Mr. Isaak Ahmed who is based in Islamabad as his country's Ambassador said that he was among several special envoys of President Barre who were now visiting different Muslim countries to seek political moral and other support for Somalia on its dispute with Ethiopia. He said that from Bangladesh he would go to Malaysia and Indonesia on similar mission.

The Special Envoy expressed his gratitude for the "deep sympathy, support and solidarity" expressed by General Ershad for the people of Somalia. He said that Bangladesh Government had extended its political moral diplomatic and material support to the people of Somalia in their struggle to defend national independence and territorial integrity.

Replying to a question Mr. Ahmed said that his country had received positive response from most of the Muslim countries where the Somali special envoys had visited so far. Besides Bangladesh he said we have received support and sympathy from Saudi Arabia Pakistan Qatar Egypt Kuwait and Morocco.

He told a questioner that with 265 million square miles of territory Somalia has a population of only 6 million 100 per cent of whom are Muslim.

ERSHAD 10 AUG SPEECHES, ACTIVITIES REPORTED

Dacca THE BANGLADESH OBSERVER in English 11 Aug 82 pp 1, 8

[Text] BOGRA, Aug. 10--The Chief Martial Law Administrator Lt. Gen. H.M. Ershad declared here today that his Government was taking positive steps to develop the northern districts which had been neglected in the past, reports BSS.

Addressing a cross-section of people the CMLA said, we have not only realised the fact that development in this region is essential but also identified the factors which need immediate attention.

He said that overall development of the country would remain incomplete unless the less developed areas were given priority and brought on the same footing. With this end in view, he added, the present Government had adopted a policy of balanced development.

General Ershad said "We have not grabbed power, rather we have accepted responsibilities. What we say we mean. What we promise we implement".

He listed some of the major problems facing the northern region and said irregular power supply and communication difficulties would have to be tackled first.

The CMLA disclosed that the East-West Interconnector was expected to be completed by the end of this year and said this would help improve power supply in the northern districts to a great extent.

Besides, he added a 100mw power station would be set up on this side of the river to meet the requirements of the region. This will lead to increased production in the mills and factories.

Referring to the problems of communications, General Ershad said that the country's railway had been split into two zones, one of which had been set up in this region to bring about an improvement in this sector.

He said proper attention was being given to road communication and added the Siraigani-Bhuapur Ghat will be provided with more ferries to facilitate the communications through this route. Arrangements were also being made to provide

more facilities to passengers on both sides of Nagarbari-Aricha Ghat. The highways would be given due attention so that their maintenance was improved, he added.

The CMLA said that the Government was examining the latest position of Jamalgani coal mine, and Joypurhat limestone and cement projects and said efforts would be made to implement these projects in phases keeping in view the cost part.

General Ershad held out the assurance that development activities especially in agriculture sector and cooperatives would be stepped up in the area.

He referred to the rise of prices and said things would start improving by December next. In this context, he pointed out that the wrong economic policy of the past Government resulted in the inflation which the present Government was trying to contain.

On subsidies, the CMLA said that in the larger interest of the country and for the ultimate benefit of the people, the Government had to withdraw the same gradually. There is nothing to be worried about this, he added.

General Ershad said that the nation must achieve self-sufficiency in all fields since it could not depend on external aid "We must live with honour and dignity. We cannot go on begging", he added.

He expressed the hope that if we work hard and make the best use of the available resources including the most fertile land of the world we will surely be able to ensure for the common people two square meals a day and infuse a sense of security in them.

On the land reforms the CMLA said this was being done to realise optimum productive potential of land and ensure security of employment for the farmers throughout the year. The cultivators must have a sense of security in employment and a share in the yield, he added.

Emphasising the need for austerity, he said if we give up the borrowed luxurious life style and start living plainly we could solve many of our problems.

General Ershad said that the nation was going to build a new Bangladesh with unwavering faith in the Almighty Allah.

He asserted that the country's armed forces were not only united but also determined to fulfil the pledge made to the country to which they were dedicated. They are prepared to defend every inch of their motherland at any cost, he added.

Later, addressing a conference of cooperative sugarcane growers the CMLA said, "You are close to my heart because you are cultivators and through you I want to build a new Bangladesh". He assured them that they would be given all possible help in their efforts to improve the country's economy.

He said that the Government would actively consider their demand for handing over some nationalised sugar mills to them after disinvestment provided they could give the assurance that they would help the country become self-sufficient in sugar and also ensure export of its surplus.

The Minister for local Government Mr. Mahbubur Rahman, also spoke on the occasion.

Earlier, General Ershad addressed the members of the local Mukti Joddah Sangsad and told them that their participation would be ensured in all development activities of different levels. He said that their sacrifices for the country would not be allowed to go in vain. He asked them to cooperate with the government in its efforts to build a new Bangladesh.

Immediately after his arrival here the CMLA visited 3 engineering battalions and School of Armoured and centre in the cantonment area. He witnessed routine exercise of the jawans and exhorted them to keep up their standard.

The CMLA was accompanied by the Zonal Martial Law Administrator, Zone "B" Brig Abdus. Salam.

General Ershad returned to the capital in the afternoon.

CSO: 4220/7780

GOVERNMENT CONSIDERS ASPECTS OF MANPOWER EXPORT

Dacca THE BANGLADESH OBSERVER in English 11 Aug 82 pp 1, 8

[Text] Over 45000 people have found employment in the Middle Eastern countries over the past seven months. The total number of people now working in Middle Eastern countries would exceed two lakhs.

Out of the two lakh people about 35000 are serving in Saudi Arabia and 33000 in United Arab Emirates. The remittance from these people is expected to increase by 30 per cent during the current year, says a source in the Ministry of Manpower. Among the people employed abroad 15158 are professionals and 58000 are skilled workers.

The Government is actively considering to set up an overseas employment authority for augmenting the Manpower export. The new authority will look after the export of Manpower and with the setting up of this authority the Bureau of Manpower would cease to deal with export of Manpower. The Bureau will look after the training of Technical Manpower and other routine jobs.

Meanwhile the draft of the new law concerning the Manpower export has been finalised and is now under scrutiny. It will be placed before the Cabinet. The law provides for fixing the commission for the recruiting agents formalities to be completed by the agents and measures for increasing the Manpower export. The immigration law will also be amended it is learnt.

Meanwhile the Ministry of Manpower is scrutinising the documents of the 300 recruiting agents in the country and cancelled 17 agencies so far. More such agencies are likely to lose licence for gross irregularities. The Ministry has taken up some measures to stop harassment of the innocent job seekers. The Ministry has decided that no person would be given recruiting licence unless he has established business. No person would get licence with office at his residence.

When contacted the Minister for Manpower and Social Welfare Air Vice Marshal (Rtd) Aminul Islam told this Correspondent that the honest and established businessmen with good contact abroad would be encouraged by the Government in recruiting job seekers. He however said that the fake agencies who got licences in the past would be cancelled and legal action would be taken against them for submitting false papers. It is unfortunate that the documents were

not properly verified at the time of giving licences to those people the Minister noted. He regretted that these unscrupulous people caused sufferings to the poor job seekers.

The genuine people would be extended all help both at home and abroad in procuring jobs. The Minister told this correspondent that there is enough scope for procuring jobs in the Middle Eastern and other countries for our people and the new law would go a long way in achieving this objective.

CSO: 4220/7780

SIGNING, DETAILS OF PROTOCOL WITH PRC REPORTED

Dacca THE BANGLADESH OBSERVER in English 12 Aug 82 pp 1, 8

[Text] Bangladesh and China on Wednesday signed the sixth barter protocol envisaging exchange of commodities worth 60 million U.S. dollar (about Taka 132 crore) both ways for the year 1982-83 reports BSS.

Bangladesh Commerce Secretary Mr A.F.M Ensanul Kabir and Chinese Vice-Minister for Foreign Economic Relations and Trade Mr Jia Shi signed the accord on behalf of their respective countries. It took place at the state guest house 'Meghna' in Dacca on Wednesday afternoon. tni

Under the protocol Bangladesh will export about 55 per cent of its finished and semi finished products to China and will import about 70 per cent of industrial raw materials from China. 8

The major items of export from Bangladesh to China are jute jute-goods hides and skins finished leather urea fertilizer play wood and particle board while major items of import from China are coal pig iron mild steel billets dyes and chemicals machinery and equipment including textile and handloom spares and accessories tools workshop equipment refractory materials unexposed raw films ingot moulds and hot slug pots.

The signing of the protocol held in a cordial atmosphere was witnessed by the officials of the respective sides. It is the sixth barter agreement under the umbrella of the long term bilateral trade pact entered into in 1980.

Led by Mr Jia Shi Vice Minister for Foreign Economic Relations and Trade the seven member Chinese trade delegation arrived in Dacca on Sunday last. It held negotiations with Bangladesh during the last two days on the protocol.

Both the sides also reviewed the progress and implementation of the stipulations of the erstwhile fifth barter protocol including the trade between the two countries. They agreed to take necessary steps to facilitate further expansion and diversification of trade between them in the coming years. Hilel U

Answering to questions, the leader of the Chinese trade team told newsmen after the signing of the agreement that the deliberations between the two sides had taken place in a spirit of mutual understanding and cooperation. The progressed smoothly and successfully, he added.

trade between the two countries are developing with common efforts to enhance the volume both ways, he said.

What is more important the Chinese Vice-Minister said is the common desire of two peoples for promoting the bilateral trade.

Mr. Jia pointed out that need to find out new commodity for exchange had arisen when China was going to take urea fertilizer from Bangladesh. On the other hand, Bangladesh is also trying to import such items as are needed by her, he said.

He said, on the whole the bilateral trade was developing between the two countries apart from the barter trade.

When asked whether he was satisfied with the accord reached between the two countries, the Chinese trade team leader said "very much satisfied".

Replying to a question Bangladesh Commerce Secretary Ehsanul Kabir said "it had been our endeavour to go for a healthy promotion of our trade relationship".

"It is progressing well and the experience so far has been good towards the promotion of trade in future between Bangladesh and China", he added.

He said throughout "a sense of realism and understanding existed between us in reaching the accord anew after reviewing the performance both ways over the last year".

The visiting Chinese delegation will leave today (Thursday) for home.

CSO: 4220/7781

GOVERNMENT OFFICIALS DIRECTED TO REPORT PROPERTY

Dacca THE NEW NATION in English 12 Aug 82 pp 1, 8

[Text] All ministers, government officials, top brass of various departments, directorates and autonomous and semi-autonomous bodies have been officially asked to furnish statement of their moveable and immoveable property to the Government.

They have been supplied with the type copies of proforma containing queries in respect of their property. The queries also relate to the moveable and immoveable property belonging to the other members of their families.

It may be pointed out that late President Ziaur Rahman had also elicited statements of moveable and immoveable property of the members of his cabinet and their families.

The government officials and those who are holding key positions of the autonomous and semi-autonomous bodies have already been directed by the heads of their respective offices to submit their statements by mid August while the Secretariat of the Chief Martial Law Administrator is due to receive them by August 31.

The directive in this connection sent to different offices by the CMLA Secretariat expressed dissatisfaction at the failure of the officials to furnish their statements in the past as required under official provision.

It is learnt that the vigilance team constituted by the Martial Law authorities will scrutinize the statements.

CSO: 4220/7782

FINAL REPORT ON CENSUS RESULTS NOT POSSIBLE THIS YEAR

Dacca THE NEW NATION in English 12 Aug 82 pp 1, 8

[Text] Publication of the final report of the country's latest census conducted last year will not be possible in time. Although finalisation of the census report was scheduled to be completed next December, so far only one-fourth of the work has been done.

A preliminary report of the census carried out on March 6, 7 and 8 last year was published on June 20 the same year.

The slow progress in the finalisation of the census report is attributed by knowledgeable circles to the failure of the Bureau of Statistics to pay due attention to the work and also to the failure to get a computer work whole time and take a lot of load off the nations biggest computational job.

It may be mentioned that the expensive computer belonging to the Bureau of Statistics went out of order about two years ago and nothing has been done to put it back in order. Consequently the computerisation of the final census report has become difficult and time-consuming since the Bureau of Statistics has been getting the work done with the computers of the Bangladesh University of Engineering and Technology and Bangladesh Jute Mills Association.

The Bureau of Statistics which is responsible for the preparation of the census report has meanwhile completed data conversion of Dacca and Chittagong divisions.

The conversion of the entire gamut of data has been divided into two phases--optical mark reading-1 and optical mark reading-2. With the completion of the works of the two phases the final computerisation of the census report will be taken up. And that will take a long time, an official told this correspondent.

The work on census would continue to be delayed if the Bureau's computer were not commissioned soon. The martial Law authority is reported to have asked the Bureau of Statistics for early publication of the final report.

CSO: 4220/7782

MINISTER REPORTS AGRICULTURAL LOAN TO BE DISTRIBUTED

Dacca THE BANGLADESH TIMES in English 13 Aug 82 p 1

[Text] BOGRA, Aug 12--Agriculture Minister A.Z.M. Obaidullah Khan said today that Taka 800 crore would be distributed as agricultural loan during the current financial year to help the farmers boost production, reports BSS.

Taka 365 crore were advanced last year as agricultural credit.

Addressing a cross section of people here, the Minister said the Government had given top priority to agriculture in order to ameliorate the condition of the commonman. Agricultural loan would help attain self-sufficiency in food production and reduce dependence on foreign assistance, the Minister said.

Mr Khan appealed to the people to extend full support to the Government's policy of establishing a society-free from exploitation and corruption.

The Minister instructed the field officers to help the farmers so that they could easily get agricultural loan and other inputs. He warned that the Government would not tolerate any negligence in this regard.

Mr Khan asked the field officers of agriculture, fisheries, forest, irrigation and flood control to coordinate their functions at all levels and work as a single unit to attain the national goal of self-sufficiency.

Referring to the proposed land reforms, Mr Obaidullah Khan said that these would help increase productivity in the field.

Mr Khan who is also the Chairman of Land Reforms Commission, said a questionnaire on land reforms would be circulated to elicit public opinion.

On the question of reorganisation of administrative structure, the Minister said under it the administration would be taken to the people whose representatives would be responsible for all local development activities.

The Minister addressed two similar meetings on Wednesday at Rangpur. He visited BARI agricultural research sub-station at Alam Nagar in Rangpur and expressed satisfaction at the research project of Summer Mung Dal at the station. He also went round the paddy seed bed of the sub-station.

RURAL DEVELOPMENT PROJECTS PLANNED FOR CURRENT YEAR

Dacca THE BANGLADESH TIMES in English 13 Aug 82 p 1

[Text] Thirty-three projects involving Taka 100.86 crore have been adopted for execution in the rural development sector under the current Annual Development Programme (ADP)--1982-83, reports BSS.

Seven more projects involving Taka 15.93 crore would also be executed under Divisional Development Programme in the rural areas during the current fiscal year.

The programmes have been designed to boost agricultural production, generation of more employment opportunity and augmenting income through developing rural development infrastructure, organisation of manpower and utilising resources at the optimum level.

Construction of roads, bridges, excavation of canals for irrigation and drainage facilities, construction of embankments, thana training centre, food go-down and development of hats and bazar would be executed under eight works projects on priority basis.

Three of these projects would be executed as of topmost priority. They are general works programme, intensive rural works programme in 100 thanas and construction of food go-downs at union level.

CSO: 4220/7784

DIRECTOR OF ASIAN DEVELOPMENT BANK OFFICE INTERVIEWED

Dacca THE BANGLADESH OBSERVER in English 4 Aug 82 pp 1, 8

[Text] The Manila-based Asian Development Bank (ADB) will set up its operations in Bangladesh. The operations will cover activities like project preparation project implementation and aid coordination including aid disbursements etc.

This was disclosed by Mr Song Chill Lee Resident Director of the new ADB office in Dacca, on Tuesday in an exclusive interview with The Bangladesh Observer.

Mr Lee noted that the establishment of the ADB's resident mission in Dacca was in itself a testimony to the Bank's keen interest in the development activities in Bangladesh. The resident office of the Bank in Dacca is the first of its kind outside its headquarters in Manila.

The Resident Director of the Bank told this correspondent that Bangladesh was one of the five countries which had been selected by ADB for an extensive study of its operational priorities and plans for 1980s. The other countries selected for the purpose are South Korea, Thailand Malaysia and Nepal.

Mr Lee said that the first part of the study relating to Bangladesh for the Bank's operational priorities and programmes for 1980s had already been completed.

Giving a brief resume of the Bank's operational activities till to date, he stated that Bangladesh had been the largest recipient of the ADB's concessionary lending facilities under the Special Fund Resources (SFRs) carrying a nominal service charge of one per cent with no interest and a repayment schedule for maturity after forty years with a further grace period of ten years. He pointed out that the Bank's project loans for Bangladesh would total 837 million US dollars till June 30, '82 since the Bank resumed its lending operations in 1973. The project loans as such have been committed by the Bank for Bangladesh under 45 separate loan agreements for a total number of 40 projects he added.

Mr Lee observed that out of a total of 837 million dollars of project, only 11, 4 million dollars have been committed from the Bank's Ordinary Capital Resources (OCRs) and the rest of the funds, from its SFR operations. The forty

five project loans by the Bank to Bangladesh relate to areas like fisheries irrigation, livestock, rural credit foodgrain storage, integrated rural development, fertiliser imports fertiliser plants, rubber plantation forests transport sectors, industrial credits education public health and water supply. He added that 62 per cent of the aggregate project loans committed to Bangladesh by the Bank were meant for the agriculture sector.

The Resident Director of the Bank pointed out that ADB had committed in all seven loans to Bangladesh for the development financing institutions and the industrial sector.

He stated that the ADB's largest project would be the Chittagong urea fertiliser project. With the Bank's contribution of about 72 million US dollars for it, six other donor agencies would be involved for funding of the project. The Chittagong urea fertiliser project is expected to be commissioned by the end of 1986 and will enable the country to have a substantial export base in the fertiliser subsector, he added.

Mr Lee said that the Bank had offered, in all, 55 technical assistance grants to Bangladesh [words illegible] cal assistance grant to the country from the Bank includes the one on expanding the energy study project. He added that ADB had been involved in a large number of technical assistance projects in Bangladesh with the United Nations Development Programme (UNDP) as the co-financier.

CSO: 4220/7772

PLAN RATIONALIZATION COMMITTEE MAKES RECOMMENDATIONS

Dacca THE BANGLADESH OBSERVER in English 4 Aug 82 p 1

[Text] The committee on rationalisation of Annual Development Programme for the year 1982-83 has recommended for completion of 156 on-going projects during the current financial year. The projects to be completed in the agricultural sector are intensive jute cultivation, and development of physical facilities of Bangladesh Agricultural Research Institute projects.

The committee has also suggested for closing the Agro-Science Centre in 1983.

The committee thoroughly scrutinised the 1580 projects proposed in this year's Annual Development Programme and dropped 365 projects, deferred 87 projects and reduced the cost of 193 projects. The committee strongly suggested to give adequate funds for the projects nearing completion so that they are completed in time and go into production at the earliest date. In the agricultural sector 26 projects have been dropped and 26 others have been pruned. In industrial sector 12 projects have been dropped and 14 others have been pruned.

While scrutinising the 1580 projects the committee observed that there were many projects for which allocations in the past years were such that with similar annual allocations the projects would not be completed in 100 years. The committee also detected some projects where donors' pressure also led to the taking up of projects which do not fit into the national priorities.

Quite a few projects had their origin in personal motive or group or party pressure although the prospects of their contribution to the national goal were insignificant. There are also some whose only justification were political expediency and not plan objective.

The committee found that most projects costs are highly inflated due to inclusion of many non-essential items. Project formulation and appraisal are not done sincerely and as a result many useless and unproductive projects have found their place in the ADP.

Absence of proper feasibility study led to the faulty design of major projects, the committee observed.

The committee recommended that Ministries/Divisions and agencies concerned should ensure that ADP resources are not invested in any component of a project whether aided or not beyond the rationalised provision for the component.

The other important recommendation of the committee are unapproved projects should not be included in ADP project appraisal should be ingorious. The Ministries should thoroughly examine their projects before they pass them to the Planning Commission.

CSO: 4220/7772

REPORT ON IRAQI FOREIGN MINISTER'S DEPARTURE

Dacca THE BANGLADESH OBSERVER in English 4 Aug 82 pp 1, 8

[Text] The Iraqi State Minister for Foreign Affairs, Mr. Abdul Hamid Alwan, on Tuesday expressed "profound satisfaction" over his talks with the Chief Martial Law Administrator, Lt. Gen. H.M. Ershad, and Foreign Minister, Mr. A.R. Shams-ud-Doha during his two day visit to Bangladesh, reports BSS.

In a departure statement at the Zia International Airport, Mr Alwan also expressed his satisfaction over his meeting with President Justice F.F.M. Ahsanuddin Chowdhury and said: "We, in Iraq, look forward to, better opportunities for strengthening of bilateral relations between our two friendly countries."

The Iraqi Minister said that his visit to Bangladesh was to carry a letter from President Saddam Hussain to General Ershad concerning further development of bilateral relations between the two countries and also to explain to Bangladesh the preparations made for holding the seventh summit conference of the Non Aligned countries beginning in September."

Mr. Alwan in his statement said that General Ershad and the Foreign Minister "showed positive response and affirmed their determination to participate in this important conference as scheduled." He said that on the day of his arrival to "this friendly country we came to learn that General Ershad would be leading the esteemed Bangladesh delegation to the conference which will include high dignitaries from friendly Bangladesh."

Referring to the letter the CMLA has sent in response to the message of President Saddam Hussain Mr. Alwan said that General Ershad had sent the letter 'emphasising the friendly relations between the two countries and the importance Bangladesh attaches being an active member of the Non-Aligned Movement to the seventh summit which will generate an increasing role in this important Movement in international relations'.

Bangladesh Foreign Minister Shams-ud Doha who was also present at the airport described the Iraqi State Minister's visit to Dacca as 'very cordial and successful.' He said that as Iraqi special envoy Mr Alwan had 'apprised the Chief Martial Law Administrator of the latest situation' and that the Government of Bangladesh had reiterated its commitment to attend the seventh summit of the Non-Aligned Movement as scheduled at Baghdad at the highest level.

Mr. Doha said that a special message was conveyed to President Saddam Hussain from the Chief Martial Law Administrator wishing the conference all success.

Following is the text of departure statement of Mr. Abdul Hamid Alwan:

"My visit to Bangladesh was to carry a letter from President Saddam Hussain to Lt. Gen. H. M. Ershad concerning further development of bilateral relations between the two countries and also to explain to Bangladesh the preparations made for holding the seventh summit conference of the Non-aligned countries beginning in September.

"I found that General Ershad Foreign Minister Mr. A. R. Shams-ud Doha as well as other colleagues showed positive response and affirmed their determination to participate in this important conference as scheduled. We were fortunate that on the day of our arrival to this friendly country we came to learn that General Ershad would be leading the esteemed Bangladesh delegation to the conference which will include high dignitaries from friendly Bangladesh.

"I would like to express my profound satisfaction over the talks I had with the Chief Martial Law Administrator, Lt. General H. J. Ershad, the President Mr. Justice A. F. M. Ahsanuddin Chowdhury and the Foreign Minister Mr. A. R. Shams-ud Doha and officials of the Ministry of Foreign Affairs.

We, in Iraq, look forward to better opportunities for strengthening bilateral relations between our two friendly countries.

"Gen. Ershad has sent a letter to President Saddam Hussain in response to his letter, emphasising the friendly relations between the two countries and the importance Bangladesh attaches, being an active member of the Non-aligned Movement, to the seventh summit which will generate an increasing role of this important Movement in international relations.

"In conclusion, I like to express my profound thanks to the government of Bangladesh for their hospitality and generosity during our short visit to our brotherly and friendly Bangladesh."

CSO: 4220/7772

ERSHAD ADDRESSES DACCA WARD COMMITTEES, OTHERS

Plans for Future Told

Dacca THE BANGLADESH OBSERVER in English 6 Aug 82 pp 1, 8

[Text] Chief Martial Law Administrator Lt. Gen. H.M. Ershad said that his Government was determined to build a "new Bangladesh" on the ruins of the past with complete faith in the Almighty Allah. He added that the Government aims at over all improvement of the living condition of the people.

The CMLA was addressing the Chairmen and Members of Ward Committees of the Dacca Municipal Corporation and elites of the city at Shilpakala Academy on Thursday. Brigadier Mahmudul Hasan, Administrator of DMC also addressed the gathering. Major Gen. Abdur Rahman, Zonal Martial Law Administrator, was also present in the dais.

General Ershad said that the outline of the new Bangladesh would be complete faith in the Almighty Allah economic emancipation of the people to get rid of the curse of foreign assistance, equal rights for all irrespective of caste and creed and the establishment of dignity of labour and merit.

Stressing the need for development of rural areas, he started his speech saying that he wants to speak about the areas where people live without light due to non-availability of electricity where there is no teacher, where mills and factories are closed rendering hundreds of people jobless. He pointed out that enough time has been lost but during the last 12 years, there was no development of the living condition of the people.

Elaborating the concept of building a new Bangladesh, the CMLA said that we no longer want to portray ourselves as a bottomless basket. He called upon all to make united efforts so that we can live like a dignified nation in the comity of nations.

Dealing on the future of the country, General Ershad said that the people themselves will decide the system to be followed in the future. But the cardinal principles would be complete faith in Allah because we are Muslims eradication of corruption through a relentless struggle, restoring dignity of labour. He said the other principle would be to condition our way of life in the context of our own resources. He said that we should demonstrate to the world that we may be a poor but a dignified nation.

He said we must promote our own culture and nationalism. We do not want to live with any hired nationalism. We should give up pursuing hired nationalism, he asserted. The CMLA said that the economy was in shambles and accused the past government for bluffing the people keeping them in dark about the actual position.

If the past governments had kept the people informed of the correct position the economic condition would not have deteriorated, he maintained. He said that large number of projects were taken up by the past governments which would take more than hundred years to complete. In most cases, these projects were not needed, he said. He said these projects were taken up only on political consideration. He said the Government was determined to implement only those projects which would bring welfare to the common people. The CMLA urged all concerned to work hard with dedication for implementation of these projects.

Dealing with the steps taken by the present Government, General Ershad said that the Government wants to take the administration to the door step of the people. The CMLA said in the new set up the villagers would prepare their own projects not depending on others. He said that the Government was well aware of the possible opposition to the step. He held that this was the only means to save the rural areas from ruination.

He added that the people in rural areas did not get justice in the past. A law was being enacted in this regard ensuring fair justice to the people which would be announced soon, he added. He stressed the need of introducing a new education system where no Vice-Chancellor would be able to manipulate the examination results, would stop erosion of moral values and check indulgence in politics by students.

He said the Government has already taken steps to implement its concept of developing the nation. Dispelling rumours of nationalising land he said that land reforms would be made through cooperatives so that the farmers would get their due share. He said that if any one wants to own land he must till his own land.

The CMLA further said that Bangladeshis will be returned to them Nailing rumours that the Government was going to return industries to non-locals, General Ershad said that no non-local would get back his industry. He said that we have come for the welfare of Bangladeshis not of any foreigners.

Dispelling rumours of dis-unity in the Armed Forces, the CMLA asserted that the Bangladesh Army was completely united. Bangladesh Armed Forces were determined to fulfil its pledges made to the nation.

Admitting rise in price of commodities including fertiliser, kerosene the CMLA said that the Government was paying subsidy to the tune of Tk. 332 crore only for fuel. Moreover, food had to be imported to meet the deficit. He held that there was no alternative to withdrawal of subsidy on fertiliser and fuel. He observed that the people should be made to understand that it is better to pay more price for commodities than extend hand for foreign assistance, to beg to other nations.

Pointing out the formation of various enquiry committees by Martial Law authority, General Ershad said that reports of all these committees would be implemented shortly. He said the people would enjoy the benefit of these reports.

The CMLA said that Government officers were suffering from restlessness. He said that there was no reason of such restlessness for them. There was nothing to fear for those who are honest. He urged the officers to cooperate with the present government for the betterment of the people.

Later, replying to questions and suggestions for development of the City, the CMLA stressed the need of population control. He said without success of population planning all efforts to increase food production would be meaningless.

He held that the degeneration of social values was responsible for increase in oppression to women. He hoped that increase in literacy and correct attitude to women would reduce the shameful oppression of women.

General Ershad said that he was optimistic that if the entire nation work together sinking all differences, the Government would be able to achieve its objective of building a new Bangladesh. He said that we must save the nation from ruination, there was no scope of indulging into the luxury of politics any more, he added. He called upon all to sink all political differences and to make united efforts for economic emancipation.

He concluded his speech reciting a self-composed poem where he said: "I pledge of a relentless struggle to build a new Bangladesh."

Pragmatic Foreign Policy

Dacca THE BANGLADESH OBSERVER in English 6 Aug 82 pp 1, 8

[Text] Chief Martial Law Administrator, Lt. Gen. H. M. Ershad said that the Government would follow a bold and pragmatic foreign policy with the cardinal objective of strengthening national independence and sovereignty.

He said that relations with neighbours would be based on mutual understanding and would not on any account compromise national interest.

He was addressing the Chairmen and Members of Ward Committees of Dacca Municipal Corporation and elites of the capital city on Thursday at the Shilpakala Academy.

BSS adds: Turning to Farakka issue, General Ershad said we want a peaceful and honourable solution to this problem. We shall not bow down to any body except Allah he said adding our relations with any country will be based on sovereign equality. We are ready to make any sacrifice to stick to this principle. We will not make any compromise on Talpatty issue, he declared.

CSO: 4220/7773

MINISTER SAYS FOODGRAIN STOCKS SUFFICIENT

Dacca THE BANGLADESH OBSERVER in English 6 Aug 82 p 1

[Text] Food and Relief Minister Air Vice Marshal (Retd) A. G. Mahmud has said the government had sufficient foodgrains in stock to meet the requirements and arrival of more foodgrains from abroad was expected "soon", reports BSS.

Addressing a cross-section of people at Khulna on Wednesday, the Minister said the government was successful in averting a food crisis with the active support "and help of the people of all walks of life. There was no shortage of foodgrains in the country, he added.

The Minister said it was the high sense of patriotism and love for the country that prompted the patriotic armed forces to take over the reigns of the government to "save the country from total chaos and confusion."

He explained the spirit and contents of various government policies adopted immediately after the Martial Law was proclaimed in the country.

He said whatever foodgrains were available before March 24 with the government, did not reach the people, particularly in the villages, for want of proper management. He explained to the audience the way the present government was trying to solve the problems by paying immediate attention to the food sector.

The Minister said the government, wanted the businessmen to do fair business in foodgrains without any fear of intervention from any quarter.

The Minister said that a new policy has been adopted to streamline the food-for works programme. He said that under the new policy the responsibility of approving few scheme has been shifted from the Ministry of Relief and Rehabilitation division of the Food Ministry to the sub-divisional committees headed by the SDO. This committee will scrutinise and approve the schemes and will also be responsible for their proper implementation, he added. The Ministry will now oversee the implementation of the schemes.

He advised the people to avail themselves of the opportunity of government's decentralisation policy so that the people could take active part in the implementation of development programmes.

Referring to the increase in the prices of ration rice and wheat fertiliser petroleum oil and lubrication etc. the Minister said that the decision to increase the prices of commodities should have been taken much earlier considering the prices rise in the international market.

He also said that the provision for subsidy could not continue for an indefinite period in the greater national interest. As a result of that reducing the burden of subsidy, the government would now be able to take up more development schemes to improve the lot of poor people, he added. He urged the people to appreciate the circumstances under which the government had to take this decision.

The Minister said that the present government was pledge bound to eradicate corruption from the society and to ensure fair and equitable justice for all by bringing the administration near the door-step of the people.

Earlier, the President of the Bar Council, the Chairman of Khulna Pourashava and a lady professor of local women's college also spoke on the occasion hailing the new government. They also requested the government to pay immediate attention to the problems being faced by the city dwellers and take steps for their solution.

The Minister assured them of all possible help and assistance from the government in this respect.

CSO: 4220/7773

REPATRIATION OF NONLOCALS MAY BEGIN IN SEPTEMBER

Dacca THE BANGLADESH TIMES in English 7 Aug 82 pp 1, 8

[Text] The repatriation of non-locals is expected to begin from September, a knowledgeable source told The Times on Thursday. The number would be about five thousand.

Saudi Arabia has already committed to provide funds and aircraft for carrying the non-locals to Pakistan.

The source close to Foreign Office said that arrangements were under way for repatriation of 5,000 non-locals to Pakistan. But the source did not give exact date. He said "it will be around September".

When contacted a spokesman of Pakistan Embassy in Bangladesh said that all preparations were completed. 'The repatriation can start the moment Bangladesh gives green signal'.

In accordance with Delhi agreement of 1973 and tripartite agreement of 1974 Pakistan agreed to take back all non-locals stranded in Bangladesh who opted for Pakistan and are falling within the specific categories such as: (1) West Pakistan domiciled, (2) divided family and (3) erstwhile central government employees.

Pakistan also agreed to take 25,000 hardship cases who do not fall within these categories

Of these categories the case of non-locals domiciled in West Pakistan is no longer at issue. As regards the divided families, it is argued that a definition of a family should conform to the broad oriental and Islamic concept of the term so that this would resolve the problem of uniting the separated family as envisaged in the agreement.

Total number of non-locals opted for Pakistan is 5 lakh 40 thousand. Pakistan cleared (1973-74 repatriation phased 1,48,000. Actually repatriation upto August 1974 was 1,32,000 Number of those who are cleared by Pakistan but could not be repatriated is 26,000.

In 1977 Pakistan offered to take another 25,000 non-locals. Due to shortage of funds only 9,200 were repatriated in that year. In 1981 Pakistan agreed to take another 7,000 non-locals from Bangladesh.

WRITER GIVES STATISTICS ON RURAL LAND OWNERSHIP

Dacca THE BANGLADESH TIMES in English 8 Aug 82 p 5

[Article by Hasnat Abdul Hye]

[Text] On what grounds can land reform be said to be urgently needed in Bangladesh today? The answer begs an analysis of the prevailing agrarian structure. Thanks to the painstaking research work, village studies and micro-surveys carried out during the past two decades a considerable volume of statistics and relevant information have been accumulated. In fact this is one area of socio-economic research and survey where one can safely rely on secondary data to draw general conclusions. In fact many of the statistical tables based on these surveys have already become common tools of analysis in various studies on agrarian problems in Bangladesh. Rather than recounting all these familiar data only a few statistical tables that are relevant for the answer to the above question can be selectively used. This may involve withholding detail information but it is hoped that in the process the focus of the analysis will not also be sacrificed.

Since ownership, control and use of land lie at the heart of the land reform debate it is essential to look at the size distribution of land owned, distribution of land according to tenure category and the incidence of landlessness

For the purpose of analysis households having 0.01 to 1 acre will be treated as marginal farmers (defined as near or below subsistence), households having 1-01 to 5 acres as small farmers (defined as having modest marketable surplus and net buyer of land), households having 5 to 10 acres as medium and households having above 10 acres as large farmers. Both of the latter two groups have substantial marketable surplus and rent out land. They are also the buyers of land from small and marginal farmer either through distress sale or because of the indebtedness of the latter two groups which eventually result in the surrender of mortgaged land for redemption of loan taken. Though infrequently, renting out land is also done by small farmers either for fragmented nature of holding or insufficient family labour/inadequate capital.

From the size distribution of owned land as obtained from the Land occupancy Survey of 1977 the following features of our agrarian structure become evident:

1. Land distribution is skewed (not highly though with 3.65 per cent of population representing 1.94 per cent of farm households (in the range of above

10 acres) occupying 19.55 per cent of land. At the lower end 79.70 per cent of population (in the range of 0.01 to 5 acres ownership size) have 47.04 per cent of land.

2. There is no acute polarization in land ownership at 9.37 per cent of population representing 7.74 per cent of households (in the ownership range of 6.01 to 10 acres) in the medium farm category account for 22.40 per cent of total land.

3. Instead of a "minifundist--latitudinist" dichotomy agrarian structure in Bangladesh is characterised by an ownership continuum with a more graded distribution of land reflecting a large number of marginal and small farmers and landless labourers some viable medium sized farms and a few large farms.

4. The man-land ratio at the lower end of the ownership structure is the highest with heavy pressure on land resulting in numerous uneconomic size farm. If 3 acres of both irrigated and unirrigated land is accepted as economically viable (having modest marketable surplus in a family of six members on average) then more than 70 per cent of farm households representing about 60 per cent of population is unviable. In order to survive families belonging to this category have to rely on wage employment during part of the year and rent in land from medium sized and large farmers. According to calculation made by Abdullah small farms (having less than 2.5 acres) representing 41.42 per cent of households rented in 45.73 per cent of the land operated by them in 1976. Since the percentage of unviable farms (70 per cent of total households) far exceed the percentage of small farms renting in land (41-42) per cent) it is evident that a substantial number of them do not get any land on lease and must therefore be depending on wage employment.

The incidence of leaning out and leasing in land is widespread which together with employment explains why the small farmers and marginal farmers produce enough to ensure at least "simple reproduction, even if at a low level of production and consumption of the [word illegible] economy". Tenancy (all types) is therefore an important dimension of our agrarian structure.

From available figure it is seen that though the percentage of owner-farmers remained more or less constant in 1960, 1976 and 1977 the per cent of holdings under them increased. This implies that they bought land either from medium or small and marginal farmers. This is borne out by the data collection by Abdullah according to which the average size of small holdings declined from 1.45 acres in 1960 to 1.47 acres in 1976 and the average size of holdings of medium farmers declined from 4.31 in 1960 to 4.15 in 1976. During the same period the average size of holdings of large farmers increased from 11.83 to 12.27 per cent.

An interesting feature of the agrarian structure is the steady increase of land under all forms of tenancy. In 1976 about 24% of land was given under tenancy as against 18% in 1960, 19% in 1968 and 23% in 1977. This corresponds to the increasing share of land by the large land holding groups as evidenced by the figures that while in 1968 the top 2% of land owners owned 12.8 per cent of cultivated land in 1979 it rose to 14.8 per cent in 1979. On the

other hand, it would appear to be a safe presumption that the decline in the number of owner-cum-tenant households and the increase in the number of "pure" tenants are interrelated. According to an analysis by Mohd. Khan many of the owner-cum-tenants resorted to distress sale and joined the landless group some of whom might have leased in land from land owners.

The increase in the number of landless tenants ("pure" tenants) is indicative of the growing trend of landlessness which is the most alarming feature of our agrarian structure. Though the per cent of landless is shown as 8.28 of the total population, the figure sharply goes up when the functional definition of landless is adopted. According to the 1977 Land Occupancy Survey of the Bangladesh Bureau of Statistics the incidence of landless is 50% of population. More alarming than the absolute figure of the landless is the steady rise in their number over the years. In 1960 their number averaged around 20% and in the mid 1970's the figure was 30%.

The growing inequality in the ownership of productive assets as demonstrated by the large number of small farmers, marginal farmers and landless is largely responsible for the growing inequality of income and impoverishment of the majority in the rural areas. The recent ILO study has revealed that the poorest 40% in the rural areas of Bangladesh has 18.5% of total income while the richest 20% accounted for 43% of the total income. The study has stressed the point that the growing impoverishment of the rural masses has more to do with the structure of the agrarian economy than its rate of growth. On the other hand, the rate of growth itself may be impeded by the agrarian structure, particularly the land tenure pattern, by producing disincentives to the majority of the producers or handicapping them in respect of access to input markets because of their socially disadvantageous position.

According to the Asian Bank sponsored study rural inequality has increased in Bangladesh dramatically as demonstrated by Gini Co-efficient of income dispersion which rose to 0.44% in 1973-74 as against 0.35 in 1963-64. The trend towards absolute poverty estimated by the same study is even more startling.

From the above it is now clear that the agrarian structures of Bangladesh has given rise to the following problems of growth and equity:

1. Increase in the area of holdings of large farmers who are not direct producers but prefer to rent out land or employ wage labour or a combination of both. Because supervision is not done by the owner but by 'managers' even production with wage labour is not efficient and does not correspond to the capitalist mode of production" in its important aspects. The large owners make no investment on rented land out because they can impose terms that are lucrative to them as rentier. On the other hand, the surplus appropriate from tenants is invested by them in petty trade, money lending or land purchase both in rural and urban areas where the rate of return is much higher than from investment in agriculture.

2. As a result of the lack of entrepreneurship among the surplus farmers Government has had to undertake capital construction in the agriculture sector (embankments, drainage, irrigation facilities) on a large-scale and continue

to make modern inputs available at subsidised rates so as to make them available to small and medium farmers. But because of the social status and economic power many of these inputs are cornered by the large farmers for profiteering and use for non-agricultural purposes (particularly credit).

3. Though owner operated land account for over 60% of land, about 47% of total land is owned by small and marginal farmers and about half of this land i.e. 24% of the total are unviable units operated by 59.11% of population and 63.87% of household. Even though the productivity per unit of land is higher in small holdings production in these farms cannot be increased beyond a certain point for lack of capital and low level of technology used.

4. Because of unequal ownership of land and other assets the modern inputs are more accessible to the large and medium farmers and thus a large number of farm households is dependent on traditional technology perpetuating overall low productivity.

5. Chronic indebtedness and law of inheritance lead to sub-division and fragmentation of holdings increasing the number of unviable holdings. Tenancy and money lending thrive in this situation prolonging the process of marginalisation and pauperisation but fails to protect the unviable farm owners from becoming landless in the end.

6. Growing inequality of ownership increases inequality of income among the various tenurial classes accentuating relative poverty in the rural areas.

7. Stagnating agricultural production and lack of investment in non-farm activities account for 30% of unemployed rural labour force and the incidence of all pervasive underemployment among those who are employed.

CSO: 4220/7775

BRIEFS

LAND ADMINISTRATION BOARD--The Council of Ministers at a meeting on Saturday approved an ordinance delegating power to the Land Administration Board to settle appeal and revision applications against orders of the Division Commissioners and Deputy Commissioners, reports BSS. The decisions of the Board, set up under the Land Administration Board Law of 1981, will be final in this regard. The Board will also supervise whether various policies, laws and orders of the Government are being carried out in the offices under its jurisdiction and will make advice and recommendations to the Government in formulating policies in the light of its practical experience. [Excerpt] [Dacca THE BANGLADESH TIMES in English 8 Aug 82 p 5]

NEW CUBAN AMBASSADOR--The Government of the Republic of Cuba has appointed Mr Jose Perez Novoa as Ambassador of Cuba to Bangladesh with residence in New Delhi, says a PID handout. Born in 1945 in Havana, Mr Novoa studied History and completed post-Graduate studies in Economics and Courses of specialisation from the University of Havana. He held many important positions in the Communist Party Organisation and from 1972-76 he was Head of Section in the General Department of External Relations of the Central Committee of the Communist Party. From 1976-78 he was Ambassador to Ethiopia and from 1978-81 Head of the Political Department, Department of International Organisations, Ministry of External Relations. He is married. [Text] [Dacca THE BANGLADESH OBSERVER in English 10 Aug 82 p 12]

WORLD BANK LOAN--WASHINGTON, Aug 12--The World Bank said today it would lend 68 million dollars to Bangladesh and 31 million dollars to India for irrigation projects reports Reuter. The Bangladesh loan is for 50 years with no interest and a small service charge. It will be used to drill 4000 wells in the districts of Mymensingh Kishoregani and Dacca. The Australian Development Assistance Bureau will provide nine million dollars and the Overseas Development Administration will add 31.1 million dollars to help with the Bangladesh project. The Bangladesh Government the Sonali-Bank and various village associations will put up another 33.7 million dollars. The Indian loan is also for 50 years with no interest and only a small annual service charge the Bank said. The funding will be used for the second phase of an irrigation project in Madhya Pradesh India's largest state and one of its poorest Madhya Pradesh will contribute 30.8 million dollars of its own for the project. [Text] Dacca THE BANGLADESH OBSERVER in English 13 Aug 82 p 1]

TEN COUNTER TRADE AGREEMENTS SIGNED

Jakarta SINAR HARAPAN in Indonesian 10 Aug 82 p 11

[Article: "'Counter Trade' Agreements Worth \$127 Million Signed"]

[Text] Jakarta, 9 August--According to information obtained from the Ministry of Trade and Cooperatives, Indonesia has completed 10 "counter trade" agreements with foreign suppliers whose value totals \$127 million in fertilizers.

The Indonesian products which the companies have agreed to buy have the same value as the 977,000 tons of fertilizer for which they have signed a contract to sell to Indonesia.

The agreements with the 10 suppliers are the first to be completed under the 1982 Indonesian export policy made public last January (Government Regulation No 1 of 1982). They are part of a package for increasing trade, including the liberalization of export charges, extending the terms of payment, and simplifying customs procedures.

Minister of Trade and Cooperatives Radius Prawiro, in commenting on the 10 agreements reached, said: "We are very happy with the results of the new export policy and its contribution to our overall effort to increase Indonesian export trade." The total value of the 10 countries is \$127,625,200.

The commitments to fulfill the "counter trade" regulations as a condition to being given the contract were received by the Ministry of Trade and Cooperatives from three companies which wanted to supply electric generators, docks, cranes and a salvage tug.

The Indonesian "counter trade" policy is a form of purchasing manufactured goods and commodities from abroad valued at more than Rp 500 million or about \$763,000 by government ministries and non-ministerial government entities, including state-owned companies. Basically, foreign suppliers must agree to buy products other than oil and gas with the same FOB value as the equipment and goods which they are bringing into Indonesia. The Indonesian export policy does not affect purchases by the private sector or the investments of foreign companies in Indonesia.

A number of categories of trade have been exempted from the export policy, like professional services contracts paid by the state, such as foreign accountants, lawyers, and consultants. Also exempted from the regulation are stocks of goods paid for through bilateral, concessional loans or credits from the World Bank, the Asian Development Bank, and the Islamic Development Bank. Other exceptions will be made, on a case by case basis, taking into consideration such factors as the state of the international market.

"Counter trade" and other aspects of the 1982 export policy are intended to be used to broaden the market for Indonesian products while promoting state foreign exchange income for use in paying for Indonesian imports.

Indonesian exports, including oil and gas, in 1981 totaled \$22.26 billion, whereas in 1980 they totaled \$21.90 billion. However, non oil and gas exports fell by about 27 percent in value in 1981, compared to 1980. During the first 4 months of 1982 exports, including oil and gas, totaled \$6,853,812,000 compared to a total of \$7,212,838,000 during the same period in the previous year. Non oil and gas exports during the first 4 months of 1982 fell by about 19 percent from \$1,535,492,000 to \$1,238,415,000, compared with the same period of 1981. However, the decline in the value of exports was only 7.2 percent if the decline in export of wood in logs is not included.

In 1981 Indonesian exports totaled \$13.27 billion, an increase over 1980 when they amounted to \$10.83 billion. During the first 3 months of 1982 imports went up about 32 percent from \$2.98 billion to \$3.96 billion, in comparison with the same period of 1981.

5170

CSO: 4213/78

HIGHER TAX COLLECTION TARGETS FOR 1982/1983

Jakarta MERDEKA in Indonesian 6 Aug 82 p 10

[Article: "This Year Tax Collection Target Is Rp 82 Billion Per Day"]

[Excerpts] Jakarta, Thursday [6 August]--For fiscal year 1982/1983 the Directorate General of Taxes has expressed a determination to achieve its target of tax collections of Rp 82 billion per day or Rp 2.5 trillion in the fiscal year.

For the Directorate General of Taxes the current fiscal year is increasingly important in connection with the situation affecting the oil price and the world economic recession. Domestic receipts, which are more pragmatically directed at expanding the tax collection base, increase tax collection administrative costs at the same time as they increase tax payment awareness among the community.

According to Dr Laurencia A Manullang, general chairman of IBEK (Institute of Business Economics and Finance), in a statement made on 6 August, the decision by OPEC [Organization of Petroleum Exporting Countries] to reduce oil production as of March, 1982, resulted in a decline of as much as \$10 million per day or \$3.65 billion (Rp 2.4 trillion), which must be compensated for from non-oil income.

It is not clear as to which taxes make up the loss of Rp 2.5 trillion or whether this refers to a further increase in indirect taxes which are mentioned in the Financial Note on the 1982/1983 budget.

According to the state budget for 1982/1983, domestic receipts for 1982/1983 are planned to be Rp 13.7565 trillion, consisting of direct taxes (Rp 11.1128 trillion), indirect taxes (Rp 2.2513 trillion), and non-tax receipts planned to amount to Rp 392.5 billion.

The oil companies tax will bring in Rp 9.1217 trillion, an increase of 6.4 percent (Rp 546.5 billion) compared with fiscal year 1981/1982. In this connection oil production since April, in accordance with the OPEC decision, has been reduced by about 300,000 barrels per day from the previous production of 1.6 million barrels per day. Other receipts are planned to total Rp 4.6348 trillion, up by 25.3 percent (Rp 935.6 billion) over fiscal year

1981/1982. Other receipts include a variety of taxes collected by the Directorate General of Taxes and the IPEDA [Regional Development Tax] collected by regional governments.

Almost all kinds of taxes for fiscal year 1982/1983 reflect an increase, except export taxes. The Rp 381.1 billion collected in fiscal year 1981/1982 will be reduced to Rp 170 billion, a drastic decline. Among the other taxes reflecting an increase are income tax, which will go up by 23.7 percent; companies tax, 47.3 percent; MPO [Invoice Tax], 32.7 percent; IPEDA, 24.3 percent; taxes on wealth or taxes on interest, dividends, and royalties, 26.6 percent; and indirect taxes, 11.6 percent.

Furthermore, the Bureau of Customs and Excise is also increasing its receipts as reflected in the draft budget for fiscal year 1982/1983. Import duties this year will increase by 25.8 percent to total Rp 677.9 billion. Import sales taxes will increase by 34.4 percent to total Rp 298.6 billion. Excise taxes will total Rp 618.4 billion, an increase of 11 percent. Stamp taxes, auction sales taxes, and other direct taxes are planned to total Rp 44.3 billion, an increase of 59.4 percent.

5170

CSO: 4213/78

CONSTRUCTION OF SAILING SHIPS IN INDONESIA

Jakarta SINAR HARAPAN in Indonesian 9 Aug 82 p 11

[Article: "To Save on Fuel and Hold Down Transportation Costs, Government Plans to Build 200 to 2,000 Ton Sailing Ships"]

[Excerpts] Jakarta, 9 August--A government plan to build sailing ships of 200 to 2,000 tons is an effort to economize on the use of domestic energy (petroleum products). This was stated to SINAR HARAPAN by a source in the Ministry of Communications.

According to the SINAR HARAPAN source, indeed the operation of sailing ships, whose prototype is being developed by the Shipping Research Foundation in Hamburg, is a part of the government's effort to hold down the cost of transporting goods between the various islands in Indonesia. The SINAR HARAPAN source said that the use of sailing ships to transport interisland trade will hold down costs by as much as 25 percent.

The sailing ship which is being planned in Hamburg will be powered by sails with auxiliary power provided by engines, particularly when entering a harbor or when the winds do not blow. In this way they are almost the same as PLM (Sail and Motor Ships), many of which operate in Indonesian waters to transport goods in the interisland trade, particularly sawn lumber.

The concept of building a prototype sailing ship, whose construction is strongly advocated by the Indonesian minister of research and technology, Dr Habibie, involves cooperation with the Federal German Ministry of Research and Technology.

Up to the present the prototype sailing ship which has been in the planning stage is 1,400 tons, 70 m in length, and with 1,600 square meters of sails. According to present calculations the sailing ship being planned will move at a speed of 5.5 knots per hour. It is hoped that this new prototype ship can be built in Indonesia in 1983.

The source added that building large sailing ships (of 1,400 tons) will not damage or lessen the role played by traditional sailing ships which have been equipped with motors. In general, the PLM type of vessel, which is a modernized version of the traditional boats, is from 100 to 350 tons in size.

According to available data, the use of petroleum fuel in ships in the interisland trade is rather substantial, accounting for almost 25 percent of total operating costs.

The ultimate cost of the sailing ship now being planned and which shipyard will build it cannot yet be stated for certain. Whether the cost of such a ship will be less, compared with motor-powered ships is still the object of research, the SINAR HARAPAN source said.

What is certain, according to the SINAR HARAPAN source, is that the operation of sailing ships will benefit the community as a whole because their charges will be much lower than motor ships and will economize on the use of petroleum fuel. Beside that the construction of the ships can be defended, even though they are equipped with engines for auxiliary power.

It should not be forgotten, stated the SINAR HARAPAN source, that accidents at sea which are frequently experienced by traditional boats equipped with motors are not only caused by heavy seas or overloading but also because of the structure of the boats. Sailing ships built in traditional ways and then later on provided with motors lead to misuse. The structure of ships built in the traditional way may not be able to withstand the vibration of a motor, and as a consequence the ship may flounder at sea, the source stated.

5170

CSO: 4213/78

EXPLOSIVES FOUND IN SINGAPORE STRAITS

Jakarta SINAR HARAPAN in Indonesian 4 Aug 82 pp 1, 12

[Article: "Hundreds of Bombs Found in Singapore Straits"]

[Text] Tanjung Pinang, 2 August--For many years ships passing through the Singapore Straits have been in a dangerous situation without their being aware of it. It turns out that below the surface of the straits hundreds of bombs of various kinds have been found. A large proportion of them are considered still active and capable not only of sinking the ships which pass over them but also those which are anchored in Singapore harbor.

This was stated by the operations officer of Navy Region 2, Maj (Navy) Donny Hendarto, to a SINAR HARAPAN representative on Tuesday [4 August].

The bombs have a diameter of 20 cm and are about 1 m in length. They were found in depths of 20 to 30 m in the Singapore Straits, including Indonesian territorial waters, at 1 degree 11 minutes 3 seconds North Latitude and 103 degrees 5 minutes 48 seconds East Longitude, off Batam Island. The number of bombs successfully found amounts to 8,373 in all of a number of types, including aerial bombs.

The bombs were found when the ship channel leading to Batam Island was being dredged. Bomb findings continued from April to June, 1982 and were later reported by the Batam Island authorities.

According to Major Donny Hendarto, the bombs will be exploded this week by Indonesian Navy bomb disposal experts, working in cooperation with a team of from the Ministry of Communications brought from Jakarta.

There is still a question of where the bombs came from--whether they are left over from World War II or were deliberately dumped by certain groups in Indonesian waters or whether they are left over from the Indonesian confrontation of Malaysia.

With the removal of the bombs from those waters it still cannot be stated for certain whether the Singapore Straits are now clear of such a threat, particularly in Indonesian territorial waters. According to Major Donny Hendarto, if so many bombs exploded in a chain reaction, they would be

capable of destroying or sinking dozens of freighters and tankers under way and anchored in the straits and in Singapore harbor.

The commander of Navy Region 2, Admiral Sugiatmo, has asked that action be taken to clear certain Indonesian territorial waters in the Singapore Straits from any further threat from explosives, particularly in Batam Island waters, since Batam Island development has become a national project.

5170

CSO: 4213/78

NEPAL

BRIEFS

SFRY ENVOY PRESENTS CREDENTIALS--Yugoslav Ambassador Danilo Bilanovic presented his credentials to His Majesty King Birendra Bir Bikram Shah Dev on 13 August in Katmandu. [BK270517 Katmandu THE RISING NEPAL in English 14 Aug 82 p 1]

CSO: 4220/344

CONSPIRACY OF ADMINISTRATION, POLITICAL GROUP CHARGED

Karachi JASARAT in Urdu 19 Jul 82 p 1, 10

[Article by JASARAT Reporter: "If the Ideology Council is Composed of Scholars Why are their Proposals Refused?"]

[Text] Karachi, 18 July--The Deputy leader of the defunct Tahrik-e Islami Pakistan, Professor Adbul Ghafur Ahmad, has said that it seems that there is a group of professional politicians in the country which is plotting with the rulers to continually produce a new state of affairs. He was addressing an Iftar party [evening party to break the Ramazan fast] in the municipal park of Fasal Colony, Block 5 this evening. Mr Muhammad Jalil Khan Shahjahanpuri also gave a speech on this occasion. Professor Ghafur Ahmad said that this group is conspiring with the administration to have government employees dismissed from their employment; is having restrictions placed on lawyers so that they may not take part in politics. It seems as though the bureaucracy, now handling affairs, wants to make the country into a graveyard so that no voice demanding its rights may arise from any corner. He said what a tragedy this is that when a person becomes employed, right behind him comes an order from Islamabad demanding his resignation. The Minister of Defence gives assurance in the Federal Council that now no one will be thrown out of PIA [Pakistan International Airlines] but in fact the opposite is the case. The truth is, no matter what these people say, they do the opposite. When the Council on Islamic Ideology was established it was said that it was composed of individuals of the highest scholarship, and now that this Council has made its recommendations, they have been returned and it has been said that these were not concrete proposals. Professor Ghafur Ahmad said that what this means is that the Council on Ideology ought first to have found out what recommendations it was supposed to make. Apparently, power is in the hands of President Zia, but in practice the bureaucrats do all the work and want to make this country into a graveyard. He said that the country's political groups, National Alliance, lawyers, students and workers had won freedom from past authority, but the present people have conquered the country. The nation should take notice of this. He said that when the government of Israel was established in 1948 they were 500,000 in number while the Muslims were 110,000,000 strong. If they had so much as poured out one bucket of ashes each, Israel would have become a pile of ashes. Pakistan too at that time was the world's largest Islamic country, but it was split in two in 1970. Today no Islamic country is even

willing to take in the Palestinian Muslims. This state of affairs tells us that even though we are the bearers of the Koran, we are wandering about lost, and other countries, even while being enemies of Islam are progressing forward. Professor Ghafur said that if this state of affairs is not taken serious notice of at this time, conditions will get out of control. He said that the entire community of Islam, and especially the Pakistani Muslims, should give this their attention. Before this speech, Mr Muhammad Jalil Khan Shahjahanpuri gave a short speech on the blessed Ramazan fast.

9914

CSO: 4203/166

ACTIONS OF TWO SUPERPOWERS IN LEBANON, AFGHANISTAN DENOUNCED

Lahore NAWA-I-WAQT in Urdu 7 Jul 82 p 5

[Article by Abdul Qadar Hasan: "The Soviet Union, America, and All of Us"]

[Text] After World War II there came a time when people began to say that now the old method of conquering a country by military might had ended. Now the powerful country which wished to control some weaker country would do so by gaining economic privileges in that country according to its wishes, and would do this not by its military but by diplomacy and through peaceful means. But it seems that these two world wars have not had any particular effect on human nature and after restoring the damages of war and gaining additional strength the rapacious beast which unfavorable conditions had suppressed within man has now come forward again, and in the present age is fully represented in the Soviet Union and Israel. One invaded Afghanistan and the other Lebanon, and according to the most recent reports, two great hoodlums of the world have also struck a deal in the areas of these two invasions. The Soviet Union, the world's sympathizer with the oppressed, has decided to remain silent about the actions which America has taken in Lebanon by means of Israel; and America, the champion of individual human rights, has promised to keep quiet about the Soviet invasion of Afghanistan. No matter what the conscience of the world says about this frightful situation, no matter how many resolutions the United Nations passes, like maulwis passing fatwas, these two world super powers ignore these resolutions.

This combined hypocrisy of the Soviet Union and America, and their decision not to confront each other in the field of war, is no secret. But the situation in Afghanistan and Lebanon has presented the world with a clear case of their acting on this decision. The weak countries and nations of the world are wondering with fear and trepidation what their future may be. Particularly the Pakistani nation as the Soviet armies have already reached its doors, and the history of Afghanistan tells us that whenever conquerors have come to Afghanistan they have not stopped there. Their next step has been the path to India through the Khyber Pass.

If the fate of the world will be decided by power alone, then the power of decision rests with two and only two countries, that is, America and the Soviet Union. Even France, Britain and Germany, etc. have no status before these two superpowers. The Chinese can tell their enemies "Kill us, how many

Chinese will you kill?" but the truth is that they are no match for the arms of the two superpowers. Leaving aside emotionalism and slogans, if we consider the matter with a cool head, if the freedom of any country in the world is secure then it is only because the two superpowers feel no need to end its freedom. Otherwise, every country in the world is a Lebanon or Afghanistan or Falklands before those powers. And if any can stop the hand of tyranny of those two then it is only the other of the two. When we consider this situation we recall the words of the Prophet, may peace be upon Him, that the community of the infidel is one community. The present, successful effort of direct and explicit aggression of these two powers of the infidel is against the Muslims. After World War II, Winston Churchill of the former great power of the infidels, England, drew lines in the sand of the Middle East, carved up the Muslim countries, and formed a new geography for this region. Now the superpowers which have inherited the throne from England are very quickly changing the political geography. The Soviet Union which calls itself not Russia but the Union of the Soviet Socialist Republics, includes among those states several formerly free Muslim states which have become integral parts of the Soviet Union. In the future Afghanistan too, like the other Muslim states of Central Asia, may become an inviolate part of the Soviet Union, and how can this chain of events be prevented from spreading? The Soviet Union has never denied its intention to conquer. This intention is present in the official name of the country.

The United States of America has given the Soviet Union permission to do as it wishes in the regions close to it and in return has received permission from the Soviet Union for its protectorate, and in practice one of its states, Israel, to do the same in the Muslim countries of the Middle East and has itself opened the doors of its armory to ensure its military superiority. The Jews of Israel are advancing towards their future fearful plans. Just as the Soviet Union destroyed the Tartars and several other nations of Central Asia, so Israel too is engrossed in the genocide of the Palestinians. The human race is displaying strange scenes of the use of power, and we Pakistanis have already come under the shadow of the tyrannous hand of one of these two powers. We are waiting to see what path our rulers, politicians, and thinkers propose for us.

9914

CSO: 4203/159

PUBLIC CORPORATIONS CONDEMNED; PLEA FOR PRIVATE INVESTMENT

Karachi JASARAT in Urdu 20 Jul 82 p 5

[Editorial: "The Roti ['Bread'] Corporation: A National Tragedy"]

[Text] There has been news of loss in one more corporation administered by the government, and of the closing of many of its productive units. The Chairman of the Roti Corporation has said that because of loss, 6 of the 14 bread factories have been closed. Of the factories being closed, 2 were in Karachi, 2 in Lahore, and 1 each in Quetta and Bahawalpur. 400 of the 1300 employees of factories being closed have been dismissed. It is intended that the corporation factories being closed should be made available to private investors. Before this too, there had been a proposal to sell factories in Faisalabad, Multan and Peshawar to private investors, but they did not accept this offer.

The loss in the Roti Corporation and its miserable conditions are nothing new. After nationalizing heavy industry and establishing monopolies in most industries this has become our norm and this has done irreparable damage to our national economy and especially our industrial structure. During the last 10 years nearly 400 corporations have been established in the zeal to put industry and trade under government control and give high-level jobs to friends and relatives. Some corporations have only nominal work to do, but by their splendid buildings, extensive transport system and the pomp and show of their government servants it seems that they have been given some very grand and important responsibility. Every year their budget shows a loss of hundreds of thousands of rupees, which is made up from the national treasury. After a few years it is learned that the disease cannot be remedied. The institution and the businesses operating under it can no longer be continued. By this time all the property has gone into the hands of corrupt employees. After all the capital has been gobbled up, the production suspended, and the salaries and privileges of its government servants increased to an intolerable extent, it is proposed to private investors that they should take over these white elephants. But the government has been unsuccessful in making fools of the private investors, and private investors have plainly refused to take over deficient units, to the extent that now they are not even willing to take back their old factories which had been nationalized because they have been completely ruined and destroyed under the care of the government servants of the bureaucracy during the past 10 years.

While discussing this irremediable ulcer of our national economy we cannot refrain from noting with regret that the present government has not made any serious effort to remedy or cure it. Rather in most cases it has adopted the manner of the previous administration. It has not ended these unnecessary corporations and government control. The luxuries and disreputableness of their officers and staff have not been stopped. And several factories running at a loss have been continued only because sons of influential families are earning high wages there. And if there have been some steps towards reform and some pruning done, the hidden reasons for it were something else. In most cases the purpose was to remove someone from one good post and put someone else in.

We make a forceful appeal to the ministers of finance, industry and trade, and especially to President Ziaul Haq, that they seriously study this distressing aspect of the national economy and industry and free them from the curse of corporations which operate at a loss. Playing dice with the economic future of the entire country for the sake of the illegitimate prosperity of a few thousand families is a destructive game which has been going on in our country for 10 years. So long as this continues, private investment in the country will not prosper. Neither will there be a balance between prices and inflation, nor will the industrial structure be able to be established on a firm foundation, nor will there be any investment.

9914

CSO: 4203/159

WHEAT TARGET IN DOUBT; OTHER TARGETS REVIEWED

Karachi DAWN in English 22 Aug 82 Supplement p 3

[Text] There is likely to be a shortfall of about 200,000 tons in the wheat crop this year and PASSCO is likely to consume around 150,000 tons of its reserve stock to meet its commitments.

Following is a crop-wise review for the week ending August 20, 1982:

Wheat

The wheat procurement in Punjab is going on very slowly. Both Punjab Provincial Food Department and PASSCO are yet below the targets fixed for them.

PASSCO has so far procured slightly over 800,000 tons of wheat and the average daily procurement rate is 4,000 tons as against 20,000 tons in the beginning of the season. It is feared that the target of 950,000 tons would not be fulfilled and at the most 850,000 tons will be attained this year. In this way PASSCO will have to consume its last year's reserves of 150,000 tons to meet all the commitments.

The Food Department is also 200,000 tons below the procurement target of 1.9 million tons.

Both the procuring agencies are taking all precautionary measures to protect their wheat stocks from rains. According to official sources, the total stock of wheat with Punjab Food Department is 2.25 million tons. The storage capacity with the Department is for 1.54 million tons in bags and 2.2 million tons in bulk.

Cotton:

The condition of the crop is reported normal. The supply position of all the inputs is satisfactory. The Government has alerted the farmers and the departments to combat the incidence of pest and diseases with the start of Monsoon rains.

The long dry spell and delay in the break of Monsoon is helpful to cotton yields and it is therefore expected that the production target of 4.8 million bales will be achieved.

Sugarcane:

The condition of sugarcane crop is normal and there is no report of incidence of any pest and disease attack.

According to Sind Government 1.31 per cent more area has been put under sugarcane compared to the target initially planned for the Province. The fixed target was 378,000 acres while the actual area accounts at 388,000 acres.

Rice:

The condition of the newly transplanted crop is good. The new rice policy for 1982-83 is expected to be announced within a week. It is expected that the prices of milled rice--Basmati and IRRI are being revised. The rates of paddy Basmati and IRRI have already been announced which are Rs:3/- and Rs:4/- per 40 kg. respectively higher than last year's prices.

Other Allied Topics:

The Federal Government is making all efforts to improve the system of disbursement of credit, so that farmers particularly the small ones could obtain loans easily. With this object in mind the Government is keep to simplify the procedures and on strengthening the institutions responsible for disbursing credit.
[as published]

The manufacturing/assembling of Fiat tractor in Pakistan is going to be undertaken shortly through a joint venture between public and Private sectors. The production capacity of the project is reported to be 10,000 tractors per annum--
Courtesy: National Bank of Pakistan.

CSO: 4220/319

OPPOSITION TO BAR COUNCIL ACT AMENDMENT

Karachi JASARAT in Urdu 22 Jul 82 p 5

[Editorial: "The Expulsion of Knowledge and Intelligence from Politics"]

[Text] It is reported that the Lahore High Court Bar Association today boycotted the courts to protest the recent restriction on bar associations' taking part in political activities. A black flag was also flown from the court building in Karachi in connection with this. A country-wide convention of lawyers has also been called for the end of September to consider this order. The district bar associations too are taking the same decisions taken by the high court bar associations in support of the position of the bar associations of higher courts. Thus we see that lawyers throughout the country are agitated.

Mr Khwajah Haq Nawaz Khan, one of the country's respected legal experts and Chairman of the Pakistan Bar Association's Committee on Rights, has severely condemned the recent amendments in the Legal Practitioner's Bar Council Act, and has demanded that the restrictions these amendments place on lawyers be immediately rescinded. He has said that these amendments should be rescinded in the national interest.

We think it in the national interest to consider this problem from the standpoint that in order to have politics run on healthy principles it is necessary to have people with education and sound judgement taking part in, and in charge of politics. The literacy rate in our country is only 20 percent. The most intelligent portion of our literate class is drawn into the civil service and the military through competitive examinations. The remainder of those individuals with higher education go into the schools, colleges and universities, and for them politics becomes a forbidden fruit. Thus the cream of the educated class is unable to enter politics and the field of politics is left open for the educated and half-educated large land-owners, industrialists, pirs and hereditary chiefs. This class lacks both the temerity to protect its own interests and the intelligence to compete with the civil service and the military. Since the greater part of our politicians are from this class they remain at the mercy of the civil service and the military, and politics remains unhealthy. All hopes of running politics on a healthy basis rest with the lawyers and the students. The standard, thought and practice of education and the students are also in

decline. Thus if lawyers are now also expelled from the field of politics by these restrictions it will be like expelling intelligence and knowledge from the field of politics. After the period of the present politicians ends, politics will be left to the besotted and dull semi-literate or illiterate large landlords, pirs, people with some social standing, chiefs, and hoodlums. This may perhaps be of some benefit to the bureaucracy or the present government, but it will cut the roots of the national political system. We appeal to the president that he not look at the recent restrictions put upon bar associations from the standpoint of his own government's interests but from the point of view of the best interest of the national political system. That is, he should rescind these restrictions in the best interest of the country.

9914

CSO: 4203/166

MORE EXPERIMENTS WITH NEW PLANTS, CROPS URGED

Karachi DAWN in English 22 Aug 82 p 9

[Text] PCSIR's successful experiments in converting soyabean into milk and meat point to the potential which exists in the cultivation of new crops on a commercial scale. Already two parties have obtained licence for producing milk and two other concerns have shown interest in producing meat from soyabean. Given the acute shortage of these two protein foods in the country as a result of the failure to boost cattle farming, conversion of soyabean into milk and meat will be welcomed as an additional source of protein. However, if this experiment is to be promoted on a large scale, more effective steps should be taken to promote the cultivation of soyabean. At present, only about 1,740 tons are being produced in the country.

Another crop which can be successfully cultivated on a commercial scale and can be used in the production of cooking oil is sunflower. Yet sunflower production in the country has remained negligible. Coconut is yet another item whose cultivation offers considerable potential. Although most people are quite familiar with this fruit which figures as a vital ingredient in some popular dishes--and the amount being imported testifies to its demand--, it has not been cultivated on a commercial scale. The soil and climate along Sind's coastline are known to be suitable for coconut plantation as is obvious from the fact that the few trees grown by individual gardening enthusiasts in Karachi are thriving. It should not be impossible to expand the cultivation of these nontraditional commodities, which should prove to be commercially viable. But this would initially require active encouragement from official quarters. In the first place it is important that the bureaucratic impediments and controls which discourage any such venture are removed. It is also important that the Government provide facilities such as availability of small loans, technical know-how and agricultural land on easy terms to small cultivators interested in undertaking such projects.

Some of the problems involved are products of bureaucratic inefficiency and corruption. They can be surmounted if the minimum of rules and regulations are laid down. Thus, in the case of coconut cultivation the varieties from Malaysia and Sri Lanka could prove to be most feasible. But that would initially require the import of the coconut saplings with a proven capacity to survive transplantation. Since the seeds do not germinate easily in changed climatic and soil conditions, their import will not help. But plant seedlings are

delicate things which have to be handled with care and cannot survive if the consignment is detained for a long period by Plant Protection officials. The procedure for the import of plants should be simplified in the case of coconut saplings, so that they are not unnecessarily held up at the point of entry.

CSO: 4220/319

STEEL MILL MAY BREAK EVEN BY 1985

Karachi: DAWN in English 22 Aug 82 p 16

[Text]

Pakistan's dollar 2.5 billion steel mill, built with Soviet aid 40 kilometer east of Karachi, may break even by 1985 and Pakistan Steel's Chairman, Mr Haq Nawaz Akhtar has denied the criticism that the mills is a white elephant and will be tossing money on every ton of steel it makes.

In an interview, published in the New York's "International Herald Tribune", he said the mill should be in the black by the late 1980s.

It should be reaching a shade of Iraq very soon, he says and he stresses the effect it will have on the nation's developing economy.

The Western point of view is that with plenty of steel being produced elsewhere why not import, but for us, the steel mill represents immense economic gains for the economy, says Mr Akhtar without it, Pakistan's industrialisation will not follow natural growth patterns.

The Engineering industry now has to be stimulated to ensure the Steel Mill's production is used. The private sector is being invited to establish downstream units, 38 either near the site or elsewhere in the country, to produce components for machinery manufacture.

The demand is already there. Five tractor assembly plants that initially call for imported components will increasingly require locally produced components as know-how is indigenized. So, too, will Pakistan Railways' locomotive assembly factory, being set up with the Japanese assistance at Risalpur in the North West Frontier Province and the Suzuki

truck and automobile assembly plants being launched by Pakistan Automobile Corp.

The World Bank Industrial Commission has twice identified engineering exports as our main development for the future says Mr Akhtar, explaining that Pakistan's current primary exports cotton and rice make the country vulnerable to trade fluctuation. Exports need to be diversified to include a much greater share of finished goods.

The 1.1 million ton Steel Mill complex, under construction since 1975, started producing pig iron and coke last year, but the downstream units have yet to be commissioned. Actual steel production should start around the end of the year when the steel making plant and billet mill complete their trial runs.

But the Steel Mill complex will only have a chance to start breaking even in 1985 when it is operating at capacity and the value added products (cold-rolled sheets and hot-rolled sheets) are being produced.

Currently coke and pig iron are being produced at prices well above international rates, but are being sold to domestic sources at prices substantially lower than the import price.

Mr Akhtar says the high cost of production is primarily the result of being in a quasi production state where administrative overheads are massive compared with the small section of mill currently operating.

"We are starting with a lower in-

centive price because, as I see it — and this is the Government's mandate — our main profit in the balance sheet is going to come from the downstream engineering industry, he says.

The Steel Mill's 1.1-million tons is projected to meet the country's overall demand for steel in 1985, apart from some allied steel items the mill is not capable of producing.

Imports until now have never exceeded 700,000 tons, while domestic steel production utilizing electric arc furnaces and imported scrap totals about 300,000 tons annually.

The Government's belief is that once indigenous steel becomes available it will stimulate demand, just as domestically available pig iron and coke have done in the past year. Both items are used in Pakistan's foundries. When they were imported, demand was roughly, 20,000 tons annually of each. Yet sales totaled 50,000 tons last year.

The biggest constraint to utilization of capacity in the engineering industry (currently only about 30 to 40 per cent) has been lack of indigenous inputs, claims, Mr Akhtar.

This is because imports have to be paid for in foreign exchange, allocation of which is very restricted.

"With us supplying these inputs in abundance, utilisation of capacity should be easily attained," he says.

While Pakistan Steel waits for its steel-making unit to start production, the mill has sold 250,000 tons of pig iron to India and 60,000 tons of coke to Romania, with an option to sell an additional 40,000 tons, should there be a surplus.

It has also had enquiries about small quantities from 5,000 to 10,000 tons of coke from Iran and similar amounts of coke and pig iron from Bangladesh.

"But basically we are not in the export market," says Mr Akhtar. "We just want to dispose of temporary surpluses."

The shore-based steel plant, which is infrastructurally connected with the new port under construction at Bin Qasim, currently depends on major imports of raw material for its operation, receiving iron ore from India, Australia, Brazil and Liberia, and metallurgical coal from Australia, U.S. and Canada.—PP1.

PANELS ON FARM SCIENTISTS SET UP

Karachi DAWN in English 22 Aug 82 p 4

[Text]

ISLAMABAD, Aug 21 The recently-concluded wheat seminar has made a number of recommendations to promote research programme in the country and formulate a comprehensive wheat policy.

The seminar has set up six panels of farm scientists who will submit recommendations on the following subjects:

(I) wheat breeding, (II) agronomic research, (III) fertilizer and soil chemistry, (IV) epidemiological studies on wheat, (V) agricultural mechanisation, (VI) agricultural economy (storage and marketing).

The following are the highlights of the recommendations:

Diversified wheat material has been collected from Baluchistan by a team of experts. It is recommended that this material along with their characteristics should be supplied to the breeders for use in the hybridisation programme.

A technical committee should be

constituted to study in detail the avenues for its expansion.

Efforts be accelerated to develop such wheat varieties as could compete well in world market. Since during the pre-partition days "Durum" wheats were primarily exported from Indo-Pakistan, it is stressed that high potential, disease-resistant durum wheats be developed and popularised.

Computer facilities should be made available to plant breeders by PARC to help accelerate the breeding work.

It was emphasised that scientific information and germplasm generated on national as well as international centres should be made available to all the workers by the PARC.

Agronomic research on wheat should be intensified and research stations/sections responsible for this research should be properly equipped and strengthened in terms of qualified staff.

Work should be initiated to identify agronomic problems in various agro-climatic zones and develop package of site specific technology for implementation by the farmer. Necessary infrastructure, specially mobility, should be provided to undertake this type of work.

To determine the interaction and efficacy of new nitrogenous and potashic fertilisers being introduced in the country, evaluation should be done under different soil series and types on wheat.

Research on utilization of poor quality water for wheat, basic studies on salt and sodium tolerance of different wheat varieties needs to be continued. Some studies have been done for screening of wheat varieties by the University of Agriculture, Faisalabad, and varieties Lu-26 and Chenab-79 have shown tolerance to salinity. —APP

CSO: 4220/319

NEW VOLUME OF PARTITION PAPERS PUBLISHED

Karachi DAWN in English 22 Aug 82 p 16

[Article by Yehia Syed]

[Text]

LONDON, Aug. 21: "The Transfer of Power in India, 1942-47, Vol XI: The Mountbatten Viceroyalty Announcement and Reception of the June 3, 47 Plan", will be published here by Her Majesty's Stationery Office on Aug. 23.

Within six to eight weeks the Volume will be available in Pakistan through the HMSO's agents, Messrs Mirza Book Agency, Lahore.

Volume XI covers the period between May 31 and July 7, 47 and documents included in this volume are from India Office, the British Cabinet papers and its India Committee and from (for the first time) the Mountbatten Archives, which throw fresh light on the historic events which followed the formal acceptance of the Indian leaders (including the Quaid-i-Azam and other Muslim League leaders) of transfer of powers on the basis of partition of the subcontinent.

The documentary narrative opens with the Viceroy's historic meeting with the Indian and Muslim League leaders on June 2 at which Mountbatten handed round the revised plan for partition and an immediate transfer of powers based upon the Indian acceptance of dominion status.

The present volume running into 1024 pages with five historic black and white photographs, priced at 70 pounds, describes how Mountbatten, after handing over the partition plan to the leaders, then circulated a further paper outlining the "Administrative Consequences of Partition", the complexity of which was said to have come as "a profound shock", to those who

received the document. Volume XI deals with June 3 broadcast by Mountbatten, the Quaid-i-Azam, Nehru and Sardar Baldev Singh and with June 4 Press conference at which the Viceroy's exposition, according to the book, received widespread acclaim.

It also deals in detail the politico-administrative consequences of partition, the future of NWFP, the division of the Armed Forces, the Civil Services and assets, and the division of Bengal and the Punjab.

The documents included in this volume describe in full detail the behind-the-scenes activities and going-ons on the above mentioned difficult and controversial questions, which had perforce to be dealt within the space of just 10 weeks. So, also, it tells of the process of drafting the necessary legislation in London and the passage of India Independence Bill through Parliament by a July 20 deadline.

The darker and tragic side of the whole process is documented in account of a rapid deterioration of law and order situation in the Punjab.

This volume documents Nehru's demand as the Prime Minister of unpartitioned India, in the face of the law and order situation in the Punjab, to declare Martial Law in the Punjab, criticising the conduct of British officials. It gives the then Punjab Governor's assessment of the situation and the reasons advanced by him for not declaring Martial Law, as well as Mountbatten's reply to Nehru's criticism of the Punjab administration, which is bound to provoke a historical debate and controversy even today.

INCENTIVE TO PRIVATE SECTOR DISCUSSED

Karachi DAWN in English 22 Aug 82 Supplement p 3

[Article by Zakir Husain: "Incentives Bring Response"]

[Text] A number of measures have been introduced by the Government of Pakistan to provide incentive to the private sector investors. They include a clear demarcation of industries between the public and private sectors and a sizeable package of fiscal and monetary steps to encourage the private sector. It might be worthwhile looking at some of these measures and the response to them by the investors.

In March 1978, five-year tax holiday and remission of import duties were announced for industries to be set up in specified underdeveloped areas. The scope of the areas to be treated as underdeveloped was also enlarged.

In September 1978, the Government promulgated the Transfer of Managed Establishment Order under which, the Nowshera Engineering Company Limited and the Lahore Engineering and Foundry Limited were returned to the former owners.

To allay the fear of nationalisation, the Government announced the "Protection of Rights of Industrial Property Order, 1978." In October, 1979, the Government also announced a policy under which it expressed its willingness to adhere to the principle of mixed economy.

Incentives

Fiscal and monetary incentives, introduced from time to time, included compensatory rebates for export oriented industries like textiles, leather, footwear, carpets and rugs, surgical goods, sports goods, etc. Industrial houses were also given concessions for establishing offices abroad, including the grant of foreign exchange quotas. The limit of monetary ceiling of industries which could be set up without obtaining prior sanction from the Government has been progressively raised from Rs 5 million to Rs 30 million, including foreign exchange component of Rs 15 million.

As a result of these measures, the manufacturing sector has recorded a remarkable growth during 1977-82. The annual average growth of manufacturing sector rose to 9.23 per cent during the above period compared with 2.85 per cent during 1971-77. The value added of manufacturing sector at constant factor cost

of 1959-60, was Rs 5,130 million in 1971-72, which rose to Rs 6,258 million in 1976-77, rise of 21.98 per cent. As against this, the manufacturing sector in terms of value rose to Rs 9,720 million in 1981-82, an increase of 55.32 per cent over 1976-77.

A number of industrial items which had negative growth during 1971-77, turned positive during 1977-82. For example, the production of cotton yarn, chemicals, paper board and chip board and jute goods which had average negative growth of 0.61 per cent, 1.53 per cent, 8.96 per cent and 0.34 per cent respectively during 1971-77 turned positive and registered average growths of 7.35 per cent, 11.57 per cent, 27.72 per cent and 15.14 per cent during 1977-82.

The manufacturing sector in the country operates both on large and small scale. The value added of the small scale manufacturing currently constitutes about 29 per cent of the total value added of the manufacturing sector. Its share in the GDP was about 4.01 per cent in 1971-72, 4.49 per cent in 1976-77 and 4.67 per cent in 1981-82.

Annual growth rate

The average annual growth of the small-scale manufacturing was about 7.3 per cent during the period under review. The average annual growth of large scale manufacturing during 1971-77 was 1.36 per cent per annum. In the last five years of the period under review, large scale manufacturing had positive growth and the average growth for 1977-82 was about 10.03 per cent per annum. The average growth of large scale manufacturing was 5.30 per cent per annum during the whole period under review.

During 1981-82, several on-stream projects became operational and the manufacturing sector recorded a growth of 12.1 per cent, compared with 9.9 per cent a year before. The small scale manufacturing sector registered a growth of 7.3 per cent and the large scale manufacturing sector of 14 per cent during the above period.

The significant increase in the growth of large scale manufacturing sector is also due to substantial expansion in the production of a large number of industrial items. For example, the output of sugar, which started increasing from last year has shown a record increase of 41 per cent in 1981-82. As a result, the country once deficit in sugar has not only achieved self-sufficiency but has attained a sizeable export surplus.

Production of chemical fertiliser and cement has also recorded sharp increases. The increase in production is due to commissioning of Hazara Fertiliser Complex and Fauji Fertiliser project and improvement in the production of Pak-Arab Fertiliser.

The first blast furnace of Pakistan Steel Mills was fired in 1981. The second coke oven battery and sintering machines, second blast furnace and oxygen plant, refractories and lime calcination plant and the billet mill have been completed during the current financial year which would further increase the rate of growth in the industrial sector.

Sanctions and utilisation

The growth trends are indicative of a positive response from the private sector to the framework laid down by the Government for the private sector and a number of incentives offered to it covering fiscal and monetary concessions, liberal import of raw materials and machinery and streamlining of investment procedure.

The pace of industrial sanctions has also accelerated. Industrial sanctions issued during the period 1972-77 amounted to Rs 9.4 billion which increased to Rs 37.0 billion during July 1977 to March 1982. The rate of utilisation, however, is currently estimated at only 40 per cent of the sanctions.

CSO: 4220/319

DELAY IN ENFORCING URDU DEPLORED

Karachi DAWN in English 17 Aug 82 p 8

[Cont.]

Deploing the 'painfully slow' enforcement of Urdu as the national language at all level, leading scholars yesterday urged the Government to help remove these 'artificial hurdles' at a meeting held by Anjuman Taraqqi-Urdu to commemorate the 21st death anniversary of Baba-i-Urdu, Dr Maulvi Abdul Haq, at the Arts Council.

It was presided over by the President of the Anjuman, Mr Akhtar Hussain. Prof. Dr. Syed Abdullah presented a 17-page paper on the occasion.

In his brief presidential speech Mr Akhtar Hussain identified some of the factors obstructing the introduction of Urdu at different levels.

Zia lauded

He paid tributes to President Zia-ul-Haq for taking keen interest in the promotion of Urdu.

Dr Syed Abdullah, briefly re-

counted his meeting with Dr Abdul Haq in Lahore in 1940 and his subsequent meetings in connection with the establishment of Anjuman Taraqqi-Urdu branch in Lahore.

He also recalled the valuable contributions of Dr Abdul Haq in the enrichment of Urdu language and literature.

He termed the 'artificial hurdles' created by the bureaucracy baseless and imaginary. He strongly refuted allegations that Urdu may, in any way, harm the progress of regional languages.

Dr Jamil Jalibi and Syed Shabir Ali Kazmi also spoke on the occasion. Floral wreaths were placed at the Mazar of Baba-i-Urdu by the representative of the KMC on behalf of the citizens of Karachi, Urdu college, Pakistan Writers Guild, Anjuman-Taraqqi-Urdu, and various organisations and literary associations.

Earlier, Quran Khwani was held in the office of the Anjuman.

CSO: 4220/321

DECISIVE ACTION SUGGESTED FOR ERADICATION OF SOCIAL EVILS

Karachi DAWN in English 17 Aug 82 p 7

[Editorial: "War Against Social Evils"]

[Text]

PRESIDENT Zia-ul-Haq's suggestion that the nation should dedicate the coming year to social reforms could not have been more timely. Riddled as it is with corruption, ignorance, deprivation and bigotry, our society has reached a stage where progress in vital areas of national life is impossible until a serious move is made to eradicate these evils. This calls for the total commitment and involvement of the people without whose cooperation nothing substantial can be achieved. But the Government has a pioneering role to play in the process. Directly or indirectly the Government deals with nearly all branches of corporate life, and the administration's presence is felt everywhere and in every thing. Having absolute powers to lay down the law and execute policies, the Government alone is in a position to set the direction of and give the lead to any movement for social reform.

As pointed out by the President, the Government realises that the efforts towards reforming society need to be stepped up. He has identified some of the social evils which have to be attacked. To expect all of them to be wiped out in the course of one year would be unrealistic. Setting too many goals is certain to produce a diffusion of attention and energy. It may be better to concentrate effort and resources upon one or two issues and to show tangible results. For instance, two areas where governmental effort can be highly productive of results are a drive against corruption and a campaign against ignorance. If these areas of priority are recognised, the Government should prepare a plan of operation and let the people know how they can help. These goals need not be ambitious, but it is important that the Government display a genuine determination to make signif-

icant progress towards the achievement of those goals.

Although every Government which has come to power in Pakistan has declared war upon corruption, this evil has continued to flourish. It has come to in fact every sphere of life, but it need hardly be pointed out that corruption in administration is the most serious because it fitters down to other spheres of life and spawns dishonesty, bribery and graft all around. It is unlikely that without the tacit approval, if not the active connivance, of a corrupt bureaucracy big business can get away with unfair practices. But resort to dramatic and well-publicised measures to root out corruption from time to time have not helped at all. Most culprits have been allowed to go unpunished while political and personal motives have often led to the victimisation of the innocent in the name of an administrative clean-up. What

is actually needed is an in-built mechanism to check corruption through exposure and the forfeiture of ill-gotten wealth. Drastic measures are essential if they are to make an impact. But they should be a part of the institutional framework and should not be in need of special executive decrees to enforce. It is equally important that all be held accountable for their deeds without any distinction. Justice can be aborted when it is meted out in dealing with only the weak who do not have the contacts and resources to protect themselves while those at the top with the right connections go scot-free. Moreover, corruption needs to be attacked on the social front, too. If corruption is more prevalent today than before, it is because extravagant habits ostentatious living and wasteful consumption have tended to become a widely accepted social norm. Wealth is now greatly in demand, and resort to corrupt means of acquiring it does not attract as much public odium as it did before. Here the Government can set an example by cutting down on wasteful consumption and requiring Government departments and autonomous bodies and their heads to practise austerity in their official and private lives.

The President has also called upon the nation to wage a war against ignorance. This is a most commendable undertaking, especially when the Government is itself supposed to be

in the process of waging a jihad against illiteracy which the President had declared two years ago on the occasion of the start of the fifteenth century of the Hijra. Individuals and private organisations can help to promote literacy. They can play a useful role in developing social consciousness among the people about the significance of education. But the thrust towards popularising education by making its accessible to a greater number of people will have to be provided by the Government itself. It alone has the resources and organisation to open educational institutions on a big scale which is necessary if the rate of literacy is to be pushed up from the dismal 21 per cent as at present. The aristocratic elites who have wielded power in the country since 1947 have found it in their own narrow interest to keep the masses ignorant and uneducated. It is shocking that this country spends only 1.5 per cent of its GNP on education when most Third World countries are spending much more. It is also difficult to explain how a Government which professes to be in the midst of a jihad against illiteracy, could cut down its budgetary allocation to education in its current Annual Plan by 6 per cent. It is obvious that the Government itself will be required to concentrate its energy and resources on education in the coming year if a dent has to be made on the literacy front.

DEPENDENCE ON FOREIGN TECHNOLOGY IN OIL SEARCH CRITICIZED

Karachi JASARAT in Urdu 27 Jul 82 p 5

[Editorial: "The Truth About Oil"]

[Text] It is claimed that the search for oil is being given great importance in order to develop resources for fuel in Pakistan. Again and again there are announcements of wells being dug in new regions and new sources of oil being found. But the truth has come out with the announcements that, because the rigs owned by Pakistan Petroleum Limited are worn-out and totally incapable of use, and because they also do not have trained workers, they have decided to rent rigs and workers from foreign countries. If the search for oil in the country during the past several years had been carried out according to a serious and well-developed plan we would not be faced with this sad situation. The previous government had made the search for oil into foreign tours and false tales of discoveries. It seems that with the change of government the characters have changed but it is still the same old story. Oil is being found every day in new places in great quantity. But the price of oil keeps going up and our imports too keep increasing. Pakistan will get limited benefit from oil produced by foreign companies. Pakistan's own efforts are made obvious by Pakistan Petroleum Limited's admission that they have neither rigs nor trained workers. They will have to pay about \$8 million annually to hire rigs. This is approximately the amount of foreign exchange needed to buy a rig. The truth of the government's claims in this matter of national importance, and the short-sightedness of the relevant institutions, is fully revealed by their repeating our dependency on others for obtaining rigs and workers rather than working towards self-sufficiency in the search for oil by buying our own rigs and training our own workers.

We strongly condemn this sorry and disappointing state of affairs.

9914

CSO: 4203/166

BRIEFS

NOTICE SERVED ON JOURNALIST--Lahore, Aug 21--Mr Nisar Ahmad Osmani, President Pakistan Federal Union of Journalists (Barna group) was today served a notice for making "objectionable speeches." He has been asked to appear before the Additional Deputy Commissioner General, Lahore, Cantt on Aug 25.--PPI [Text] [Karachi DAWN in English 22 Aug 82 p 16]

IJT MEETING IN OCTOBER--Lahore, Aug 21--The Chief Organisaer, Islami Jamiat-i-Tulaba, Mr Shabbir Ahmed, has said that scholars and Ulema from Muslim countries are expected to participate in the annual meeting of the Jamiat beginning here on Oct. 6. Addressing a Press conference here on Saturday, he said the leaders of all the youth organisations of the Muslim countries had also been invited to participate in the meeting. About 10,000 workers of the Jamiat from all the four provinces and Azad Kashmir would take part in the meeting, he added.--PPI [Text] [Karachi DAWN in English 22 Aug 82 p 16]

HUMAN RIGHTS CONFERENCE PLANNED--Rawalpindi, Aug 21--Human Rights Society of Pakistan is holding a three-day International Conference on Human Rights from Dec. 8 to 10 next at Hotel Intercontinental, Rawalpindi, says a Press release of the Society issued here today. Invitations to important international organisations concerned with human rights have already been issued for participation in the forthcoming conference, by the Society. Meanwhile, Mr Fayyaz Rabbani, President of the Human Rights Society of Pakistan is leaving here for New York on Sept 6, 1982, to participate in the U.N. conference being held at U.N. Headquarters from Sept 8 to 10, 1982. During his stay there he will also meet different representatives of the Human Rights associations.--PPI [Text] [Karachi DAWN in English 22 Aug 82 p 16]

BAR AMENDMENT CRITICIZED--The All Pakistan Bar Associations and Bar Councils conference which concluded here on Saturday last, has criticised the Legal Practitioners and Bar Councils (Amendment) Ordinance Order and called for its withdrawal forthwith. Mr Hafeez Lakho, President of the Karachi Bar Association released the resolutions of the conference at a Press conference held here yesterday. Mr Lakho said that 25 delegations representing 36 different Bar Associations and Bar councils in Pakistan attended the conference. By a resolution, the conference alleged the recent amendment was designed to whittle down the representative character of the Bar associations and make the efforts of the lawyers ineffective. The resolution said that it was the inherent right of the lawyers to uphold the democratic cause and struggle for it.--APP [Text] [Karachi DAWN in English 17 Aug 82 p 8]

EXPORT RESTRICTIONS RELAXED--The State Bank of Pakistan has decided to allow to the exporters of carpets and rugs and leather and leather products certain relaxations vis-a-vis the provisions of the Export Finance Scheme. In the case of Export Finance availed of under Part I of the Export Finance Scheme for exports of carpets and rugs and leather and leather products, a total period of up to 270 days (at pre-shipment stage and or post-shipment stage) may be allowed for repayment, provided shipments are made during the financial year, 1982-83, within a period of 180-days after the drawal of the advance. [Excerpt] [Karachi DAWN in English 17 Aug 82 p 8]

BAN IN CHITRAL--Peshawar, Aug 21--The District Magistrate, Chitral, has under Section 144 Cr. PC prohibited assembly of five or more persons at a time, holding public meetings, taking out processions, carrying of arms or any other lethal weapons, within the limits of Chitral district. The step has been taken to maintain public peace and tranquility in the area. This order will however, not apply to police, civil armed forces, Juma congregations and funeral processions. The order takes immediate effect and will remain in force for two months.--PPI [Text] [Karachi DAWN in English 22 Aug 82 p 1]

NATIONAL SCIENCE COUNCIL RECONSTITUTED--Islamabad, Aug 21--The National Science Council of Pakistan has been reconstituted. It will comprise 23 members and would be headed by a chairman, who will be an eminent scientist to be appointed by the President on a whole time basis.--PPI [Text] [Karachi DAWN in English 22 Aug 82 p 4]

SEMESTER SYSTEM REPORT URGED--The Karachi University Syndicate has asked the University administration to prepare a comprehensive report on the semester system. No deadline has been given for filing the report, it is learnt. During a meeting of the Syndicate held on Thursday evening presided over by the Vice-Chancellor, Dr S.M.A. Tirmizi, the members recalled that the semester system was welcomed in 1974 on its introduction, but now some teachers were critical about it. The Academic Council of Karachi University on July 27, 1981, had decided to end the semester system and replace it by the annual examination system. The Academic Council's decision was first put before the Karachi University Syndicate, for its approval, in September 1981 and later in January, 1982. Meanwhile, the Karachi University Syndicate is expected to meet in the second week of next month to approve the appointments and promotions of the teaching and non-teaching staff of the University. The process of the appointment and promotions began in Feb. this year and is expected to be completed soon. A three-day meeting of the Selection Board will begin from August 21, it is learnt. [Text] [Karachi DAWN in English 22 Aug 82 p 8]

ISLAMIC BANKING TRAINING--Eleven Pakistanis have been selected for training at the Institute of Islamic Banking and Economics set up in the Turkish-federated state of Cyprus. This was stated by Mr Muazzam Ali, chairman of the Association of Islamic Banks, while talking to newsmen in Karachi. He said these Pakistanis would be among the 125 who would be admitted for the Institute's first course beginning sometime in October. Selections were made by a team from the Institute which left Karachi on Friday after a three-day stay during which it interviewed applicants. Some 3,000 people had responded to the Institute's advertisement.

for training while 40 of them were selected for written test and interviews. About 8 to 10 people will be selected from each Islamic State. Replying to a question Mr Muazzam Ali said all those attending the course would be assigned to various posts with Darul Mal Islami (DMI) organisations. He said the Institute's courses had been prepared to give the participants an understanding and appreciation of the Islamic economic and financial system and its applicability in the modern world.--PPI [Text: [Karachi DAWN in English 22 Aug 82 p 8]

CSO: 4220/319

ENRILE LECTURES PRIESTS ON CHURCH-STATE RELATIONS

Manila PHILIPPINES DAILY EXPRESS in English 8 Aug 82 pp 1, 2

[Article by Mel Parale]

[Text]

CATARMAN, Northern Samar — Defense officials told members of the clergy here that the Church cannot engage in political action without violating the law.

In a dialogue with local officials and Church leaders before leaving for Manila after a fact-finding mission on the alleged Sumoroy "massacre," Defense Minister Juan Ponce Enrile reminded them that the Philippine Revolution of 1896 was ignited by the interference of the Church in state affairs.

Enrile told the gathering that the government has no quarrel with the Church "because they serve the same people."

...

HE CRITICIZED a proposal to allow clergy men to sit with military leaders whenever military operations are to be carried out.

He did not mince any words in telling local priests that they can charge the military with illegal detention if they think arrests and detentions were made without

lawful basis.

The defense chief said even the military itself cannot release detainees whose arrests were covered by presidential commitment orders.

The dialogue on local problems turned into a stormy discussion when local clergy men raked up the case of eight priests reported earlier to have defected to the dissident camp. The matter was not on the agenda.

Enrile said that the Constitution mandates the separation of the Church and the State because of past lessons.

...

HE AUTHORIZED Samar residents to send collect telegrams to the defense ministry on any case of military abuse. He said all cases referred to his office will be acted upon speedily.

He ordered Brig. Gen. Salvador Mison, Eastcom commander, to send more civic action teams to help residents affected by military opera-

tions.

Residents in Samar barangays notably in Lope de Vega where Sumoroy is located, complained that many of them have been forced to leave their farms because of military operations.

In a pre-departure briefing, regional military leaders informed the fact-finding party that NPA elements operating in the region have shifted to intensified antimilitary propaganda because of reverses they have suffered in clashes with government troops.

From an estimated armed strength of 6,000 and mass base support of 34,000 in 1980, the NPA combat force has been reduced to 342 armed men, 2,800 militia support and 7,000 mass base support as of July 1982, the military regional command said.

In 1981, a total of 276 rebels were killed as against the 55 on the government side in 244 encounters.

From January to July this year, the rebel casualty was 90, against the 39 on the government side.

SALONGA HEADS REVAMPED LIBERAL PARTY

Manila PHILIPPINES DAILY EXPRESS in English 6 Aug 82 pp 1, 6

[Article by David C. Borje]

[Text] A major revamp of the Liberal Party hierarchy, with former Sen. Jovito R. Salonga assuming the party presidency, was announced yesterday by LP deputy secretary-general Abraham P. Sarmiento.

Salonga, the LP executive vice president, took over as party head after the recent death of former Sen. Gerardo Roxas, the LP president.

Sarmiento said Salonga will act as LP president until the national directorate has elected a regular president in accordance with the party rules. He added that former Sen. Benigno S. Aquino, the LP secretary general, has approved of Salonga's assumption of the LP presidency.

As now constituted, Sarmiento said, the LP officials are: Salonga, acting president; former President Diosdado Macapagal, titular head and adviser; Aquino, secretary-general; Sarmiento, deputy secretary-general; former Sen. Eva Estrada-Kalaw, treasurer; and former Congressman Manuel T. Cases, deputy to the President.

In his memorandum No 1 as LP president, Salonga spelled out the party position, enjoining a course of "non-violent, uncompromising resistance by a party whose leaders are prepared to make the supreme sacrifice."

The LP head discounted party resort to "armed struggle" and stressed that the party's central goal is "to survive with honor and help our oppressed people in the difficult task of liberating themselves and building a free, civilized society."

In frowning upon armed struggle, Salonga said "resort to acts of desperation which expose helpless, innocent people to jeopardy and without any military or political objective, need not be discussed...the party must survive with dignity and honor."

Salonga also said the LP should spell out its stand on the various problems that confront the nation, its projection of the future, and its proposed alternative program.

The LP head said the party has been depicted by a number of critics as a tool of vested interests and the servile executor of US policies.

"It is high time the party shed this alleged image by telling the nation where it stands and what it proposes to do on the vital issues of poverty, social injustice, distribution of wealth, militarism, participation of the people in the processes of government, and national independence and sovereignty," Salonga said.

CSO: 4220/313

COLUMNIST CRITICAL OF CLASSIFYING CHURCH WITH MEDIA

Manila BULLETIN TODAY in English 17 Aug 82 p 6

[Article by Ninez Cacho Olivares: "God's Little Acre"]

[Text]

POLITICAL affairs expert Leonardo Perez, one-time big chief of the Commission on Elections and a once-upon-a-time at political infighting, whiz was reported to have come up with another bright political idea which may materialize if all the other bright boys at the Batasan support him.

Mr. Perez proposed some kind of law which will classify the pulpit and similar fora as part of the media in the Philippines. (see BT, August 15, page 1).

Calling on fair play and demanding equal rights for the "elements of the body politic" the right to avail of the pulpit to express their views, Perez invoked the legal mumbo-jumbo of the constitutional guarantee to free speech (?) and free flow of information (???). Perez was silent, however, on whether or not the same sword of Damocles which dangles over media heads will also hover over the heads of the religious preachers in the pulpit.

Mr. Perez is of the opinion that when men of the cloth take to the pulpit and hit below the political belt which, according to the political

whiz, properly belongs to Caesar, then Caesar's little children should be given the right to hit below the priestly belt, which properly belongs to God, by taking to the pulpit and expressing their caesarian views.

For preachers who choose to stray into Caesar's domain but fight by staying close to the pulpit ropes (which some consider dirty pool), Mr. Perez had this to say: They should be prepared to receive "their share of political debris and blunt refutation" from Caesar's children.

In boxing jargon, it would be safe to say that Mr. Perez more or less expressed the non-too sporty comment that jabs, uppercuts, left hooks and solid one-two-three combinations ending in a fair (?) TKO (Total Knock-Out) are to be expected from Caesar's little children who will meander into God's little acre, if and when this bright idea catches fire with boxing enthusiasts.

Boxing rules are simple and easy to understand. Heavyweights do not fight with bantamweights or flyweights in any ring. Each fighter must be of equal, or at least must have the right weight to slug it out — in any arena.

The fighting priests, in the main, do not interfere with Caesar's affairs. But they do sometimes land

solid body blows when human values are at stake.

Some lightweights therefore stay in the pulpit and slug their way into the more "mundane and rough-and-tremble world of politics" to link the word of God with actual human values. Some heavyweights may cry foul and be heard. But have they ever bothered to ask themselves why the religious bring a bit of Caesar's domain into God's little acre?

If all of God's little children are not downtrodden by Caesar's babies; if there is no major breakdown in the peace and order ring; if justice is meted equally to all of God's and Caesar's little children; if all the children can be assured of more food and less taxes; if all of God's little children believe that Caesar's little children are not into graft and corruption, if . . . if . . . if. The religious will know then that God is in his heaven and all is right with the dignity of the Filipino. There will be no need for these religious to take a jab at Caesar's little world.

And, oh yes, there is one big reason why politicians should not take to the pulpit. Didn't the Son of Man say not to turn his Father's house into a den of inequity?

COLUMNIST EXAMINES NPA STRENGTH

Manila BULLETIN TODAY in English 18 Aug 82 p 6

[Article by Jesus E. Bigornia]

[Text]

RECENTLY, government troops came upon an armed band of the New People's Army at a sitio between Porac and Santa Rita, both in Pampanga. A battle ensued. Official reports had it the dissident group lost five men in the encounter. They were silent on government side casualties although barrio residents claimed some of the troopers were wounded. There is no question that the military has the peace and order situation in Central Luzon well under control. But the presence of armed dissidents, in places as close as 80 kilometers from Manila confirms reports on a stepped-up indoctrination and proselytizing campaign of Communist Party of the Philippines using its military arm, the New People's Army.

Not that the NPA is becoming stronger militarily in Central Luzon. But reports reaching this column over the past year indicate that small detachments of dissidents have been very active in spreading the communist doctrine

while sowing distrust and discontent with the government and government officials.

Frequently visited by armed dissident bands, according to reports, are the barangays of Lubao, Floridablanca, Porac, Santa Rita, and even the big commercial town of Guagua which lies athwart the national highway to Zambales and Bataan. Mostly apolitical, barrio residents, in fear they may be blacklisted as enemies in subsequent testings, perforce must listen attentively at dissident "teach-ins."

Since the "battle for the hearts and minds" of the people cannot be won by the force of arms alone, it becomes the obligation and responsibility of the provincial administrations, not only in the Central Luzon area, but everywhere in the country to counter the effects of teach-ins among the rural population and which are eroding the people's confidence in their government. To achieve this end it is suggested that public administrations should be socially oriented with emphasis on social amelioration instead of beautification and impact projects.

PHILIPPINES

ECONOMY LESS VULNERABLE SAYS BANK DIRECTOR

Manila BULLETIN TODAY in English 19 Aug 82 p 14

[Text] The Philippine economy is now less vulnerable to outside forces like "oil shocks" and recession.

It now has the capacity to sustain itself and maintain the momentum of growth it had achieved in the past years.

This was how Central Bank Governor Jaime C. Laya diagnosed the economy as he briefed the members of the 365 Club on the Philippine economic situation.

Using leaves of blown up charts of all possible economic indicators, Laya advanced the thesis that the performance of the economy in the past decade up to the present "was not something to be ashamed of."

On the contrary, he said it was "something to be proud of," considering the adverse conditions it has had to contend with and considering the performance of other non-oil developing countries.

The strength of the economy in the face of the two "oil shocks" it had undergone and the recessionary phases it passes "was not due to luck or serendepity" but was the result of the policies and programs followed and implemented in the past years, Laya said.

"We have the mechanisms in place to see to it that the economy maintain its growth in the future years," Laya pointed out.

He cited the various structural measures adopted to cut down dependence on imported energy, to improve the competitiveness of local industries and to effect an exchange rate policy that should ensure the competitiveness of local industries.

Laya said that the deficits in the fiscal side and in the current account should not be construed as weakness because they were "symptoms of the cure" the government was trying to administer for the economy of a highly investment country like the Philippines.

The depreciation of the peso in relation to the US dollar should also not be looked upon as soft spot because it is the cure to keep Philippine exports competitive with those of other countries. In relation to the depreciation which even strong currencies suffered against the U.S.\$, the peso's decline is even less, Laya said.

CSO: 4220/312

NEW GEOTHERMAL POLICY EVOLVES

Manila BULLETIN TODAY in English 19 Aug 82 p 14

[Text] A new service contract system in geothermal exploration is now being worked out by the bureau of energy development (BED) in an attempt to invite additional private sector participation in the field.

The contract system, to be patterned to that of oil exploration, began to surface after the Cabinet executive committee approved the other day a geothermal steam pricing policy covering the would-be contractors and the government.

Energy Minister Geronimo Z. Velasco said the Cabinet decision should spur the entry of more local and foreign contractors in developing 14 target geothermal areas.

Under the formula, Velasco said the private sector should be able to attain a target of 18 per cent return on the "heavy front-end" investments for exploration, development and steam production.

The estimates were based on costings of the Philippine National Oil Company in developing the Tongonan field in Leyte and on the current operations of the National Power Corporation (NPC) at the Tiwi and Makiling-Banahaw power plants in Luzon.

As another incentive in achieving reasonable margins, the Cabinet also allowed the deduction of interest charges on loans obtained to finance the required exploration and development activities. Thus, in the computation of the 18 per cent return on investments, cost of financing charges will not be included to allow wider margins.

It was also explained that the Cabinet formula will enable the NPC to reach a target ROI of eight per cent increasing power rates by plowing back part of government royalties on geothermal production to NPC.

At present, only PNOC is actively engaged in producing geothermal steam from the Tongonan and Palimpinon areas. In addition, Philippine Geothermal Inc., an affiliate of Union Oil of California, has a direct contract agreement with NPC for steam production in the Tiwi and Makban fields.

Velasco said among the early foreign companies expected to sign geothermal contracts are Total Exploration of France, AGIP of Italy, Union Oil, Chevron and Occidental Petroleum of the United States.

Total and Chevron are already undertaking preliminary exploration of geothermal areas in Camarines Norte and Kalinga-Apayao, respectively.

Among the local firms, Philippine Oil and Geothermal Energy Inc. (POGEI) and oil exploration firms involved in the operation of Nido and Cadlao oilfields have also expressed interest in the field. Likewise, Caltes Phils and Pili-pinas Shell have sounded out their intention to join the geothermal search.

CSO: 4220/312

PROBE OF DEATHS IN ISABELA ORDERED

Manila BULLETIN TODAY in English 19 Aug 82 p 24

[Text] Defense Minister Juan Ponce Enrile has directed military authorities to conduct an immediate investigation into alleged "salvaging" incidents in Isabela.

The incidents, covering the period June to July, 1982, allegedly involved military personnel and civilian volunteers who conducted an operation against the New People's Army terrorists in Isabela.

Reports presented at a priest assembly held recently in Ilagan, Isabela claimed that seven civilians were allegedly "salvaged" by military personnel and civilian volunteers.

The reports circulated by religious elements in the province said that four farmers pasturing their carabaos were allegedly picked up June 20 by 10 soldiers in Barangay Tupa, San Pablo, Isabela. The four, identified as Rogelio and Marcelo Garcia, Manuel Espiritu and Henry de la Cruz have not returned to their place and have never been seen again.

On June 19, the report claimed, Constabulary and police forces took Francisco Padron, a farmer, as guide when they came to Simanu Norte, also in San Pablo. On June 25, barangay folk who were searching for the four missing farmers reportedly found the partially burned remains of Padron in sitio Calawacao, at Barangay Cabannungan.

On July 28, soldiers, together with CHDF Bonifacio Gannaban allegedly killed Esmundo Bangan during a military operation in Barangay Dalena, in San Pablo town.

During the July 28 operation, two policemen, two civilian home defense force (CHDF) personnel and a civilian were slain when NPA terrorists ambushed them near the boundary of Barangay Dalena and Barangay Flaviano in Simanu Sur.

On July 8, 12 soldiers allegedly took Samuel Matco from his residence at Barangay Bigao, San Mariano, Isabela. When Mateo did not return, her wife and a relative went to the PC headquarters in Calamagui, Ilagan on July 12. The soldiers told her to look for her husband at Funeraria Carbonnel where he found him dead with multiple gunshot wounds.

CSO: 4220/312

PHILIPPINES

HUMAN RIGHTS IMPLICATIONS OF OLALIA ARREST VIEWED

Manila BULLETIN TODAY in English 19 Aug 82 p 4

[Editorial: "The Olalia Precedent"]

[Text] In the sense that the arrest and detention of labor leader Felixberto Olalia, Sr., can be invoked in the future, the case is a precedent. It is an important case because it involves a well-known labor leader and because it moved the President to strongly reiterate that the "constitutional processes and the human rights of every citizen will be protected by the government and by the President."

The human rights record of the government as reflected by official acts at lower levels has not been unquestioned. In recent weeks torture was alleged by a suspected subversive, Horacio Morales, a former government official. His allegations moved the Supreme Court to appoint a fact-finding commissioner.

The cases of prominent figures who have allegedly run afoul of the law merit public attention. No less important in the final analysis are the cases of the "unknowns" in the provinces who may not have batteries of lawyers to defend them and who on account of their low social standing may be susceptible to abuse. The phrase "every citizen" is more meaningful when applied to these least protected members of our society.

For obvious reasons that message should be clearly understood and applied by the law enforcers in the provinces.

There the local civil and military authorities ought to strive to attain the elaborate procedure in compliance with due process as it is applied in Metro Manila on the cases of eminent figures. For the rule of laws demands nothing less.

If it is true that there were lapses in the past, the Olalia case ought to mark a point of departure, for the case has brought again to the fore the significance of human rights in our country.

It is clear the administration cannot afford to get trapped in the morass of rights violations simply because of irresponsibility at the low levels of the bureaucracy.

CSO: 4220/312

GENERAL WARNS NEWSMEN OF CRITICISM OF ARMY

Manila BULLETIN TODAY in English 18 Aug 82 p 15

[Article by Ruben Oliver Ensoy]

[Text] During a dialogue with press and radio people held recently in Tacloban city, EASCOM command Brig. Gen. Salvador M. Mison warned the mass media that "We (the military) are open to criticism. If we make mistakes, tell us. But if you start destroying (the military) to a point where people will not believe in us anymore, there will come a time when you will be running for your lives. ...All that I am asking from the press is a fair treatment." This was reported by THE REPORTER, a Leyte-Samar weekly publication in its July 21, 1982 issue.

Feeling alluded to the chairman of the board of THE REPORTER, Gus Arnaiz, who has a string of military cases against him for publishing articles adverse to the military, said, "I don't think the majority of us in the mass media will be running away from what General Mison has in mind. General Mison does not need to threaten anybody, especially the mass media. What's really needed is to really impose strong discipline among the soldiers so that they will not commit abuses."

Arnaiz added that "the mass media isn't making the news. We only print or broadcast the news. The military is making the news, adverse or favorable."

In the same issue, THE REPORTER also reported that "Mison admitted, reluctantly, that the NPA has a more efficient intelligence system than the military and even in propaganda, but we are trying our best to catch up if not overtake them."

Reacting to this, Arnaiz said, "It's a shame for the military commander of EASCOM to admit the superiority of the NPAs in intelligence and propaganda. There's really something wrong in the manner EASCOM is being managed for being inferior to the NPAs in some critical aspects. By the very admission of General Mison, it appears that there should really be a revamp in EASCOM."

CSO: 4220/312

PHILIPPINES

GUIDELINES ON NATIONAL ID PLAN SUBMITTED

Manila BULLETIN TODAY in English 18 Aug 82 pp 1, 10

[Text] The National Identification System Committee (NISC) headed by AFP Chief of Staff Gen. Fabian C. Ver submitted yesterday to President Marcos proposed guidelines on the plan to assign a permanent serial number for each Filipino.

The plan calls for a numbering system and a national reference card for all citizens and resident aliens of the country.

President Marcos had earlier asked for a study on the matter.

A similar system is used in a number of countries such as West Germany, Thailand, Indonesia, Singapore, Israel, Malaysia, Iran, Hong Kong, South Korea, Saudi Arabia, and many others, it was learned.

The identification will serve as the official identifier of a person in all official transactions with the government. The system will be widely used in the country within five years, General Ver said.

By that time, the national identification card will be a mandatory requirement for all transactions with the government.

Right now, Filipinos are required to get several ID cards, including the residence certificate (which will remain), voter's ID, employee's ID, and tax account number.

The NISC studied various systems in other countries and identification systems among Philippine government agencies, including the Bureau of Internal Revenue, the Bureau of Land Transportation and the Armed Forces of the Philippines.

The committee considered several alternative numbering systems, but decided on the civil registry-based system as the best option with the least cost.

The Central Bank security printing plant in Quezon city will print the ID cards. Other NISC members are BIR Commissioner Ruben B. Ancheta, Immigration Commissioner Edmundo M. Reyes, Census Director Tito Mijares, National Computer Chief Pedro F. Baraoidan, and Information Systems Director Eriberto C. Varona.

CSO: 4220/312

RICE PRICING POLICY EXAMINED

Manila BULLETIN TODAY in English 17 Aug 82 p 6

[Editorial: "Rice Prices"]

[Text]

IT has been proposed that since a heavy rice harvest has been announced thereby adding to the already large inventory the government should roll back the prices of the commodity.

The government seems to be studying the different factors involved because the pricing problem is not as easy as it appears. One important reason for opposing the proposal is if the rice farmers receive low prices for their produce they might be discouraged from growing the staple food.

There is a chance the problem will be easier solved if we relate rice prices to incomes. There are income groups which can comfortably afford present rice prices or even prices a bit higher, while there are others which will be definitely relieved if the prices are rolled

back.

Among low-income people, food can comprise as much as 70 per cent of income. On the other hand, among the middle and high-income groups, food expenditures take up only a small portion of income.

If it is true that some of the rice stock has yellowed on account of age, suggesting weak demand, rice at low prices can be made available to the low-income citizens through the Kadiwa centers. We think that is the policy of the National Food Authority all along.

Rice should be made available to the neediest at low, subsidized prices, but the rest of the population ought to buy at market prices.

Incomes, much more than the food levels, determine the availability of food to poor people who do not till the soil.

GOVERNMENT TO REVIEW IMPORT PRIORITIES

Manila PHILIPPINES DAILY EXPRESS in English 7 Aug 82 pp 1, 6

[Text]

PRESIDENT MARCOS said yesterday that there is need to review the government policy on the importation of non-essential and luxury items to help boost the country's export industry.

Speaking at the induction of the new officers of the Confederation of the Philippine Exporters, the President said that "we should determine what we can import and where we can spend our dollars."

At the same time, the President assured the exporters that the government will support their ventures, especially the small and medium-scale industries.

To iron out problems of the exporters, the President urged them to organize a working committee to work in liaison with the Ministry of Trade and Industry.

IN HIS remarks, the President also

- Urged the COPE members to modernize to be competitive in the world market and earn more profits

- Informed his audience that the government is campaigning to encourage exports that would benefit the exporters

- Assured the exporters that the government's belt-tightening will not affect the momentum for

development.

IN ANNOUNCING plans to restrict the importation of luxury items, the President mentioned that there are items that are manufactured locally and there is no need to import them.

He mentioned, for example, cigarettes, liquor, wine and cosmetics.

To help reduce the country's balance of payments, the President said that borrowings will be limited to capital expenditures.

He also said that he will take up with Australian Prime Minister Malcolm Fraser, whom he met last night, tariff and preferential schemes of Australia so that "we can set up an early warning system on changes in export regulations not only with respect to Australia but also with respect to the United States."

In this regard, he President asked the exporters to help prepare a position paper of the Philippine government for the August meeting on Bilateral Fiber Agreement with the US.

The President concluded by congratulating the exporters for their resiliency in confronting the economic crisis and the world wide recession.

RAIS ON EXPORT OF SKILLED LABOR QUESTIONED

Manila BULLETIN TODAY in English 20 Aug 82 p 6

[Article by Jesus Bigornia]

[Text]

FOR a government thirsty for the petro-dollars its exported labor sends home, that of the Philippines is showing a puzzling reluctance to allow skilled and highly skilled workers to leave the country. Holding such Filipinos in check would seem to contravene the national labor policies. For, in the face of mounting unemployment, the official attitude should be encouragement of nationals to seek their fortunes in other countries. But now the overseas employment administration has erected yet another hurdle in the path of the qualified workers to go abroad for better paying jobs.

A recent OEA ruling now gives local employers the extraordinary power to veto workers' freedom to improve their lot by seeking high-paying jobs abroad. Now, an employer can grant or deny an employee a certification that his services here may be dispensed with. Yet in all the time that Philippine employers were losing their better-trained workers to labor contractors from the Middle East, they failed to make wages here competitive enough to keep their workers from straying to "greener pastures."

It is unfair for government to hobble a citizen's freedom of movement, and doubly unjust to stop him from seeking improvement of his station in life. And the OEA may

have allowed itself to become an instrument of labor whose interests it is duty-bound to enhance and protect. Without a doubt, the OEA ruling does violence to the citizen's right to the pursuit of happiness and therefore violates his constitutional right. Its retention is abhorrent on the further ground that it would paint the government as something that would eat its cake and have it too.

One of the reasons the public takes government press releases and news items on investigations invariably with the proverbial grain of salt is that, after initial announcements, nothing comes out of such inquiries. For example, this column recalls that only last year the bureau of internal revenue announced its intention to investigate Filipinos who have bought mansions and condominiums in the United States and elsewhere abroad out of fortunes amassed here. The BIR stressed it would make such Filipinos account for siphoning precious dollars abroad.

That many rich Filipinos still residing and doing business in the Philippines now own second, even third, homes in the United States is common knowledge. Except for a handful, the owners could not have built such homes or have bought into condos with dollars salted away. What government should inquire into is the rationale behind such acquisitions. Either these homes are acquired because owners feel insecure here, or as symbols of status.

BRIEFS

COCONUT EXPORT RECEIPTS DIP--The Philippine Coconut authority (PCA) predicted yesterday that the country's export earnings from coconut oil and other coconut products will drop by 78 per cent at the end of this year. PCA Administrator Felix Duenas said the country's export earnings on copra and other coconut products at the end of this year are expected to be lower than the \$755 million recorded at the end of 1981. He quickly added, however, that this prediction will hold true only if the existing prices of coconut oil, copra and desiccated coconut will remain at their depressed level. Duenas also based his prediction on the expected low coconut production for this year that may be brought about by natural calamities such as typhoons and pests. He said that prices of Philippine coconut oil as well as other coconut products were dependent on one major "phenomenon" and that is "impermanence" of world prices. He meant that prices fluctuate easily depending on the market forces of supply and demand for fats and edible oil. The forecast for Philippine copra is not "too positive" and that price improvement would be dependent on various factors such as the buying capacity of the United States, Europe and other industrialized nations which need coconut oil for industrial usage, he said. The price of coconut oil early next year may reach 20 cents a pound. [Text] [Manila BULLETIN TODAY in English 20 Aug 82 p 12]

OIL CONSUMPTION DECLINES--Oil consumption during the first six months of the year dropped by 4.5 per cent or about 1.7 million barrels less than the comparative period a year ago. The drop in consumption, according to the ministry of energy, resulted in savings estimated at \$58.7 million on forgone oil importations. Latest statistics gathered from the ministry showed that the demand decreased to 36.5 million barrels from 38.2 million barrels although premium gasoline, diesel and liquefied petroleum gas demand recorded notable increases. Consumption of premium gasoline, in a reverse trend, rose by 3.4 per cent over last year's same period or up by 96,000 barrels while regular gasoline demand continued to decline by 19.2 per cent or by 408,000 barrels. Thus, combined demand for premium and regular gasoline dipped from 12.8 to only 12.6 per cent. The country is exporting almost a million barrels of gasoline products a year to offset excess refinery production. On the other hand, consumption of diesel which represents about 25 percent of total oil demand continued to rise. Use of diesel is up by 2.5 per cent or 225,000 barrels while LPG requirements rose by 24,000 barrels or 17.3 per cent. Fuel oil consumption, meanwhile, decline anew by nine per cent from 17.6 to 16 million barrels as of end-June this year. Its share in total petroleum usage, likewise, dipped from 46 to 43.8 per cent. [Text] [Manila BULLETIN TODAY in English 20 Aug 82 p 12]

OPPOSITION ON TRANSITION GOVERNMENT--The United Nationalist Democratic Organization (Unido) reiterated yesterday its proposal for a transition or caretaker government which, it said, "is the only peaceful alternative now available to our people." At a press conference he called a week after returning from a three-week visit to the United States, former Sen. Salvador H. Laurel, Unido president, said the caretaker government will be good for one year with three main tasks: [1] Maintain peace and order. [2] Promulgate a new constitution. [3] Call a general election. Laurel said that whoever heads the transition government must be disqualified from running for president. He said that in his US trip, he consulted US-based opposition leaders like former Senators Benigno Aquino Jr in New York, Jovito R. Salonga in Honolulu, and Raul Manglapus in Washington. He said they affirmed their membership in the Unido. The Unido says it has 12 political groups, including the Liberal Party, under its umbrella, and during the press conference, including the Liberal Party, under its umbrella, and during the press conference, former Sen. Eya Estrada Kalaw, LP treasurer, and former Con-Con delegate Abraham F. Sarmiento LP deputy secretary-general, said they joined the Unido in their individual capacities. [Text] [Manila BULLETIN TODAY in English 7 Aug 82 p 6]

PALAY RICE CROP DOWN--Palay production in 1981 totalled 154.45 million cavans, lower by 2.26 million cavans than the 1980 harvest, according to latest statistics from the bureau of agricultural economics (BAEcon). Valuedwise, rice output in 1981 was 1.5 per cent short of the 1980 level, falling from P11.76 billion to P11.58 billion last year. Actually, higher prices and better income prospects had prompted rice farmers to expand cultivation in 1981. However, many producers were caught unprepared by the earlier-than-usual rains in some areas, so that by the time they were ready to start planting, the weather was already too dry for sowing. The 1.4 per cent decline in palay production was confirmed by Minister Tanco when he termed the "worst" since the Masagana 99 rice production program was launched in 1972. The decline in the palay production cannot be overlooked considering that rice consumption is currently rising at an average annual rate of 2.5 per cent. In 1981, per capita rice consumption was set at 92.8 kilograms per person, compared to 90.5 kilograms per person in 1980. The Ministry of Agriculture is quick to point out, however that there is no cause for alarm as the NFA, with its high year-end inventory, can easily cover the population's total cereal requirements. (RMA) [Text] [Manila BULLETIN TODAY in English 16 Aug 82 p 26]

UNO: 4220/312

DEPUTY DEFENSE MINISTER DISCUSSES BUDGET, ARMS MANUFACTURE

Interview with ANAKH I in Thai 8-14 Aug 82 pp 28-30

Interview with Admiral Samut Sahawin, the deputy minister of defense, at his office at the Ministry of Defense.

[Interview] concerning the debate over the 1983 budget in parliament during the past 2 weeks, one point that the opposition MPs have raised to seriously attack the government concerns the budget of the Ministry of Defense, particularly the secret government budget and the leaks in the purchase of weapons. SU ANAKHOT thus requested a special interview with the deputy minister of defense, Admiral Samut Sahawin, as the person who is responsible for the budget of the ministry. The interview was held on 2 August 1982 at his office at the Ministry of Defense. Admiral Samut Sahawin, age 61, graduated from the Naval Officers College and from the Naval Staff College in Sweden before taking a post in the navy. He rose through the ranks and served as deputy commander in chief of the Royal Thai Fleet before becoming the deputy commander in chief of the navy and finally the commander in chief of the navy. After he retired, General Prem appointed him to the position of deputy minister of interior in the Second Prem government. Then, in the Third Prem government, he was moved to his present position of deputy minister of defense.

ANAKHOT: Why has it been necessary to increase the military budget every year? For example, this year, the budget has increased from 24 billion to 25 billion baht -- even though the government has announced that the community development budget is reduced.

Samut: The military budget has increased each year at a rate of approximately 5-6 percent. This year, it has increased very little over last year as a percentage of the total budget. As compared with [the budget] in European countries, it is low. As he said that our budget has increased very much, but this is because of the country's situation. Terrorists are active in our country and there is a situation along the border in which soldiers must be used to

maintain security. And there is also the situation at sea. Forces must be sent to suppress the pirates. Thus we must spend more than the 5 percent allotted by the European countries that are at peace. Besides this, another thing that is different from things abroad is that we are using large numbers of soldiers, such as those under National Security Command Headquarters, to help develop the rural areas. In particular, in those areas where there are terrorists, besides suppressing the terrorists, the soldiers must also occupy the area for a period in order to develop the area so the people can live there in safety and have security. In some cases, the areas are developed to the extent that they become tourist attractions, such as Khao Kho. All of this requires much money.

Speaking about increases, the budget increases every year in accord with the value of the currency. The salaries of the soldiers have increased. Allowances have increased. Various expenditures have increased greatly. But the percentages have not increased. The increases in 1978 and 1979, 18.7 and 19.43 percent respectively, were greater. And the 18.73 percent increase in 1981 was greater than this year.

[Question] Concerning the secret government budget that increases every year, even though it is claimed that [this is for] "national security," people on the outside cannot help wondering what this is used for.

[Answer] At present, the secret government budget that has been made is being used for the thahan phran irregulars. This used to be secret but now this is public knowledge. Actually, the thahan phran irregulars are not recognized by law. We are trying to rectify this. The money that we use for the thahan phran irregulars cannot be dispensed in accord with the law since it is still considered secret government money. But in dispensing money, the heads of the various military services must prepare documents on expenditures. For example, they must sign for the money to pay salaries and allowances. There are regulations on this. And this year, the army has formed several more thahan phran irregular battalions for a total of 53 companies. The navy has formed eight more for a total of 20 companies in accord with the policy of forming additional thahan phran irregular companies in place of regular military units. This is because the thahan phran irregulars are local people who are familiar with the terrain and who know the people better. Since the communist terrorist forces are small, they can deal with them themselves.

Previously, we had the idea of using the large-scale main forces only when carrying on operations along the border. But in the end we did not do this. Wherever something occurs or a communist terrorists base with large forces is discovered, we must use regular military forces to handle matters successfully. When things are peaceful, thahan phran irregulars can be left to maintain order in the area. Most of the money in this year's secret budget will be used for thahan phran irregular activities and for development work in these areas.

[Question] How is the use of this secret budget inspected in order to prevent money from being misused?

... these are, first, supporting operations in order to maintain and expand the army's intelligence operations; second, carrying out special operations; third, helping the people; fourth, maintaining order; fifth, maintaining the safety of the people and important economic sites, promoting relations along the borders; seventh, helping important economic sites, improving morale; ninth, forming units in special areas where they are being carried on in remote rural areas and in threatened areas; tenth, protecting equipment, weapons and special materials for research and development in secret activities; eleventh, carrying on military operations in secret. For example, this is used to help the people in the areas where they are operating. Sometimes, the people suffer losses and this is an urgent matter. So we have policy first to help them as much as possible.

Question: Are you sure that there is close control at each stage?

Answer: Yes, indeed. Actually, the minister of defense has issued a regulation for approving the services that use secret government funds. In entering things into the accounts, there must be documents for supervising things strictly. But some things must be kept secret. For example, if it becomes known who is working for the providing intelligence information, these sources of intelligence will dry up. As the money being lost, even money in the open budget is lost. Only the heads of the services are responsible for supervising things. We have to trust such high-ranking people. We must accept this.

Question: Are these secret funds used to purchase weapons?

Answer: No. Previously, some of this money was used to purchase weapons for the urban para-irregulars. Now we are trying to cut back in order to provide more money from this secret fund. But the reason that much is still used is that we have increased these forces. As for the money used to purchase weapons for the urban para-irregulars, we have divided the expenses. With what we can obtain information. Besides this, we purchase clothing and equipment for the urban para-irregulars. The purpose is to use less money from the secret fund as people have said. We reveal everything that we can.

Question: At present, is it still necessary to use such large amounts of money to equip the army, for example, 20 billion hant was borrowed in 1977?

Answer: At present, that money is almost all gone. The navy has purchased ships and the air force has purchased aircraft. The army has purchased another 120 tanks from the United States. But we must pay for them in long-term repayments. As for additional loans, I think that it would be difficult to borrow additional money for the military. Those who loan money probably do not want to make any more loans. And borrowers are in great debt. But things depend on the situation. If something serious occurs along the Lao and Kham borders, we may have to act and it may be necessary to borrow from friendly countries that will help us. We will not borrow money just to purchase this and that. We will get a line of credit and then bring the items in.

On 11th February in parliament, during the debate on the Budget, Sir Chas. Butler (Conservative) MP from Mac Bona, said made the criticism that Exchequer had not actually got only 1 million baht apiece but that we had purchased 10 million baht. Is there any truth to this?

Answer: I don't know to which period he was referring when he mentioned this party. And there are several types of Exocet missiles. The type that we have equipped is a ship-to-ship type missile with a range of approximately 30 miles. We may have been referring to air-to-ship missiles such as those used in the Falkland Islands. Those are cheaper because they are shorter. The target can be seen from the air. The aircraft can get closer. I just don't know which type of missile he was referring to. But it has been said that the navy should issue a statement to clarify the matter.

Question: Why didn't you point this out in parliament that day?

Q. Now, I didn't say anything because I didn't think that there was any problem. This was just an innocuous argument. We greatly respect Chief of Staff Thawee. As far as I know, the company that makes the Exocet missiles belongs to the French government. The purchases are being made on a government-to-government basis; they are not being purchased from a private company as are other items.

11. Concerning the F.M.S., or government-to-government, system of purchasing weapons that we changed to last year, have there been any objections?

(Answer) I do not think there is any problem. The only thing is that deliveries are slow at present. The Express Transportation Organization of Thailand is responsible for transportation and it lacks money. The company over there has protested. At present, we are in the process of switching over to the air force, which has C130 transport aircraft and which will make a test flight to the United States. In addition to making a test flight, they may transport weapons back here. This is under consideration. In addition, there is the Thai International Company. As has been talked about, we use their services to transport items that are expensive and that are needed quickly. Goods must be sent by chartered aircraft, especially explosives. For such items, the aircraft must land at a military airfield.

[question] Each year, our country spends much money for national defense. But it is still said that as compared with the military potential [of the enemy], we are still weaker than the enemy to the east.

[Answer] Who says that we are weaker? This would be true if they receive additional new reinforcements. But at present, our weapons system has been greatly developed. When we purchase something, they first have to have new items before they sell these [older] types to us. But we don't have any of this type. Our [weapons] are very outdated. We have to follow the great powers [in the matter of modern weapons]. But among the countries in this region, I do not think that we are weaker than anyone. Besides this, concerning modern weapons systems, even if we had the money to purchase such systems, the technology to maintain these

...we will not be able to maintain them. This would be a disaster.

...Should we be concerned about future trends, do you think the enemy will

...Actually, I am not afraid. If they invade, we will suffer losses. But I think they can defeat us. Our communications routes are better. They will not have any new roads. And if they invade us, will they be able to defeat us? I am sure that we can win. And our population is larger. They are not as intelligent and they have adequate understanding. We do not want to be invaded. Thus, we are trying to compromise. We are doing everything. Any country that gets into a war will suffer losses. For example, the Jews are still fighting. Or take the Jews and the PLO, the fighting has not yet stopped yet. But we are ready to fight.

...regarding the construction of a weapons factory, is it true that the factory's foundation, were bypassed and that General Prem gave permission. Actually, this matter went through me. Concerning who has the authority to give permission, if it is a policy matter, the matter must go to General Prem. If it is an ordinary matter, I can handle it.

...Are there any problems?

...This does not mean that production will begin immediately. It will take about 1 year before the plant is built and the matter is not definite. Production, particularly if started but nothing comes of the matter.

...This was accepted instead of hurriedly selecting the

...It was not necessary to accept this because it was a matter of promoting industry. But I think that it would be good to have two or three plants in the country. A single plant will have a monopoly and will not be able to compete. If there are two plants, they will compete. It is my feeling that those who are making an issue of this in the press are those who have lost their minds. This is my opinion. When I first read about this, when I didn't know anything. Actually, I didn't know anything at first. Only after reading the newspapers did I learn that he [General Prem] had given permission. The newspapers and the articles are the ones who feel that they will

...I know many companies were competing and which ones were they.

...There was only one, the Thai Inter Arms Company, which produced mainly small arms, machine guns. But they have not started production. Permission was

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COLUMNIST HITS FOREIGN EXPLOITATION OF GAS FIELDS

Bangkok SU ANAKHOT in Thai 8-14 Aug 82 p 31

{Klang Phlaeng column by Anut Aphphirom: "The Lack of Prosperity"}

[Text] Concerning the natural gas in the Gulf of Thailand that has gone into use and that people hope will bring prosperity to the country, it does not look like the dream will come true. The Union Oil Company, which owns the gas wells, has now said that the amount of natural gas is much less than the amount that was once estimated, that is, less than one-third. When they heard this news, the ordinary people who are not involved in this or who do not know much about the high-level decisions involving billions of bath just shook their heads. And it seems that even the government has just shaken its head dejectedly. This is because people have pointed out that this situation has arisen because the contract signed with the Union Oil Company has placed Thailand at a disadvantage since the gas is turned over to them and the profits are divided. If the gas belonged to us and we paid them an income, there would probably not be any problem. Both Malaysia and Indonesia have pointed out that they too made contracts that were to their disadvantage, just as Thailand has done. This situation was rectified only recently. This means that Thailand should not act superior to its neighbors even though we have learned a lesson from them.

Whether there is a little or a lot of gas does not depend on the contract. This is a matter of nature. But what is clear is that an important problem concerning the natural gas has arisen because of this contract that is disadvantageous to us. Not only does the gas that is discovered belong to the oil company but the government must spend large sums of money to build pipelines to transport the gas. In short, the government has invested as much, or even more, money than the Union Oil Company (the actual figures are still secret) but the gas belongs to the Union Oil Company.

Those who value justice will understand and sympathize with the government. The government entered negotiations with this oil company, a giant multinational company, at a disadvantage. The important things are the disadvantages in technology, work techniques, capital, breadth of operations markets and even dark influence. But at the same time, there are still many puzzles, both old ones and new ones. For example, we signed a contract that was to our disadvantage during the period of the Thanom government. But why did it have to make another

... during the time of the Khmer government. We, the Union, ...
... estimate of the amount of gas. As we had this
... with Thailand just "spiking its nose." This mistake has
... for Thailand but it seems that the Union Oil Company will
... the people expect that their government will bargain with
... companies that are secure and that have great influence and
... and intelligence. Our already weak bargaining position should not
... because of greed.

... a contract from a position of weakness. If the
... present minister of industry signed a long-term contract to purchase
... Arabia. We feel that the claims that Thailand had to sign a
... oil purchasing contract because we do not have enough money to purchase
... periods, because we lack great influence in the oil markets, because
... power since we purchase only small quantities and because
... immediately if oil is purchased on the major spot markets
... are legitimate claims. But this is what is suspicious.
... had been made -- for example, if oil market trends
... and things had been corrected in the situation in
... or the markets -- and (people) had shown some
... all these actions would (not) have resulted in mistakes being
... responsibility shows that the person is a good worker or good admin-
... the inaccurate estimates being made concerning the amount
... gas, the government should take full responsibility and should take
... and resolute action to solve the problem. It should reduce the various
... and hold the interests of the nation above all
... report all the facts frankly and properly in order to gain a
... position. Many cases in the past have shown that, sometimes,
... bargaining power than government negotiations.

... from this, we must cite a proverb from the West that says
... poor people do not have a spoon with which to eat
... even though there is natural gas in the gulf, a poor country like
... had to borrow
... and so "the spoon" has fallen into the hands of the
... and they are getting very little of it. Actually the prosperity
... depend on praying for it to "rain soup" or praying for
... or gas in the ground or in the gulf.

... are more important are a democratic form of government, a just
... and a population that has had a chance to develop itself fully
... prosperity does not stem from gas flames but that
... and morality of the people in the country. We
... basic idea.

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THAI-KHMER BORDER AREA DESCRIBED BY CORRESPONDENT

Aranyaprathet Loses 'Boom Town' Atmosphere

By THE IRVING KHRUT in Thai 9 Aug 82 p 3

[Article by Surin Maisikrot: "The Events Along the Thai-Khmer Border Today: Aranyaprathet, a Backward Area"]

[Text] According to a Thai dictionary, "aran" means wilderness or remote. Thus, Aranyaprathet (pronounced a-ran-ya-pra-thet) means a wild land, or stretching out. meaning somewhat, it might mean a wild and remote land. The geography of this district indicates this because this is a remote district bordering Kampuchea in Prachinburi Province.

If this land were alive like an ordinary person, it would probably wonder why it had been called "Aranyaprathet" even though there are many other districts that are situated along the border.

And if "Aranyaprathet" really did have such thoughts, it would certainly have had to have given up such thoughts 3 years ago. Because, after Vietnam invaded Kampuchea at the end of 1979 and the beginning of 1980, Aranyaprathet became a bustling place that seemed to need to have its name changed to "Aranprathet" (which means a populated land). The reason for this is that Aranyaprathet became a center for reporters from all over the world.

Aranyaprathet is the nearest place from which to gather information on Kampuchea, the Khmer refugees and other types of information concerning matters here.

The hotels were full with foreign reporters who rented rooms by the month.

International relief organizations flocked to this border area. The homes of hundreds of local people were turned into houses or offices rented by these organizations at prices that were the highest in the country, even higher than in Bangkok.

Who would have thought that an unfurnished wooden house with three to four bedrooms would rent for 3,500 to 5,000 baht?

... And bars closed in the morning.

... of Aranyaprathet grew and prospered. The population is now about 10,000. Everything became expensive, including food and other necessities. The cost of living surpassed even that in Bangkok.

... from Aranyaprathet with my first trip. ... the name "Aranyaprathet" sounds even more and more like a ghost.

... like a backward town again. Everything is quiet. ... the motorized pedicabs that ... are still in operation since there are few passengers.

... is trouble and the bars, coffee shops and ... The telephones, for which reporters used to ... are now unused. The hotel has had to close ... and the water does not have any hope of opening.

... trips a day between Aranyaprathet and Bangkok ... "It is difficult to get over the ... the trip to Bangkok," said a taxi driver.

... 4,000 to 5,000 baht a month but now it is ... 1,000 baht a month. Many of the pedicab drivers have ... and return to farming because of the high cost of living.

... for at least the last 10 months. A reporter ... Aranyaprathet these days is like a stranger. ... But people who do ... It must be said that Aranyaprathet is in fact a "deserted land" just like its name suggests.

Border Trading Said Sharply Down

Bangkok (AP) - Border trade in Thai ...

... "The Events Along the Thai-Khmer Border Today: ... Really Black Now"]

... the quiet and dismal situation at Aranyaprathet. ... the general atmosphere there.

... in two things. First, information concerning the ... The Khmer refugees have begun to return ... the fighting along the border has died down. Second, the "black market" ...

The military has under the command of Major General Someth Chonaphayakha been maintaining stability and security along the Thai border since almost 1 year ago, the black market has been completely suppressed and good results have been achieved.

The main road to handle the black market traders is the law concerning this matter, which was promulgated 17 October 1981. This law resolutely prohibits people from bringing goods labeled war materials for the enemy into the border area.

The law on war materials covers almost all the goods that people use in daily life. It can be said that this covers all four major needs, or 99 percent of the items used in daily life. It includes almost everything.

A police-ranking officer in the 9th Division at Nong Kung said that, at present, black market trading has been reduced 5-fold. Thus, concerning the tactic of stopping items from falling into the hands of the enemy, good results have been achieved.

However, there has been criticism that the military has been much too strict in some cases. For example, it is felt that they have been too strict in impounding goods that people have purchased in Aranyaprathet City and taken to their homes to use or that they have purchased to sell in their small shops. This has led to dissatisfaction among the people.

Therefore, the good results and bad effects resulting from suppressing the black market should be thoroughly reviewed and analyzed and the effects that this has had on the Thai people living along the border should be studied too," said the village leader.

But actually, the soldiers have not taken things that they were not supposed to. In inspecting goods at the border, people passing there who want to take goods in must show their house registration to prove that they really live in that area. Outsiders cannot go into the area.

Another problem that has arisen is that the people have become suspicious of the influential merchants who are able to get past the checkpoints and sell their goods along the Thai-Khmer border.

Because of this, many people wonder how goods such as cigarettes from Singapore, soap, oil and bushills, have managed to be sold along the border. Haven't Singapore merchants sold them to Vietnam or to the Heng Samrin group, with the intention of then finding their way to the Thai border?

Many people have told me that in order to improve the economic situation of the Thai villagers, trading along the border should be officially opened by giving special rights to the villagers who have been affected by the Kampuchean problem, that is, the villagers along the border who have had to abandon their fields because of the fighting in Kampuchea. This would provide them with another occupation.

3. ANALYSIS - This involves taking the hypothesis apart and then showing how it is supported. In this case, the hypothesis is that the relationship between the variables is positive. The analysis involves showing that the relationship is positive.

1) The "Lipstick" (1964) and "Lipstick" (1964) were very popular from the 1960s to the 1980s. A young woman who was the "Lipstick" was popular.

Source: Bureau of Economic Analysis, Department of Commerce, "Gross Domestic Product," <http://www.bea.com>.

11. *Journal of the American Statistical Association*, 90 (1995), 1249-1258.

Footnote to page 100: "The Events Along the T. A. Road" (Part 1: The Death of the Villager in San Jose, A")

called "Old New Day A," or Ban Nam in the Vietnamese, all of the street, mostly
of Chinese, Chinese families. It is about 20 kilometers south of Hanoi/Phong
Lien.

was located in a mountainous region west of the Thai-Lao border. During the period 1965-1970, the area was under the control of the PAV. In 1971, approximately 1,000 PAV soldiers and 100 PAV soldiers were killed in this region and killed dozens of villagers in the PAV area. In 1971, the PAV area was attacked.

July 1945, Elmer George Torrey attacked and burned down more than 10 houses. At present, even though several years have passed, the evil "handiwork" of Elmer George Torrey has been left for people to see, that is, the burned pillars that remained after the rest of the house was burned.

as the people had to flee their homes and places of work and move deeper into the forest. Some fled their homes and moved to Aranyaprasth or to another location.

At the Tien-Kuang River further there, where there is a canal, the remains of old houses can be seen. Also found there are the various kinds of fruit trees which are peach, plum, loquat, sapotilla and other types of fruit trees that show that Tien-Kuang like all the other places grow various types of fruits.

At present, hundreds of tons of farmland were abandoned and left fallow. Workers were scarce here, and no one dared go work the land there. This is because people are afraid of the fighting between the Khmer Rouge and the Vietnamese. Indeed, the country here has implicitly become a demilitarized zone between the two sides of the Khmer Rouge.

1. The people have been forced to allow this area to be implicitly taken over by the Khmer Rouge because they do not want to live with the danger that may arise from the fighting in Kampuchea.

The villagers of Ban Non have had to put up with this situation from 1980 to the beginning of 1982, when the tenseness decreased somewhat.

At present, things are much safer along the border near Ban Non. The people who left to live elsewhere are beginning to return to their homes and carry on their former occupations.

The people are beginning to come clean up the village, which was left abandoned for several years. Stores are beginning to open again.

Farmers are beginning to go work the fields again since, at present, the Khmer Rouge no longer sends patrols through the area like they did before. At present, Kampucheans still use trails through Thailand as before but they do not carry weapons. If they are armed, they do not pass through Thai territory.

Grenades or artillery shells have not exploded in Thai territory for more than a year now. This has given the people the confidence to go work the fields along the border. It is estimated that 80-90 percent of the farmers who have land that is located next to Kampuchea have returned and are farming as usual.

At the beginning of 1980, I went and visited Ban Non. At that time, the people talked only about the cruel war waged by the Khmer Rouge and about various disputes. In the village at night, guards had to be posted all night because of the danger.

They may feel somewhat more at ease because of the fact that soldiers and border patrol police are in the area to maintain the peace. But things at Ban Non, which is outside the operations canal, are still dangerous.

Yes. Things have now become more peaceful at Ban Non. But whether it is a real peace or like a "husk fire" remains to be seen in the future.

Villagers Buy Khmer Relief Rice

Bangkok PHYA KHRUT In Thai 13 Aug 82 p 3

[Article by Surin Maisikrot: "The Events Along the Thai-Khmer Border Today: Trade Along the Thai-Khmer Border"]

[Text] Concerning the trading that will be discussed here, I do not know whether it should be called "black market" trading or not. But such trading, especially in foodstuffs, is necessary for the survival of the Thais who live along the Thai-Khmer border.

Previously, we heard stories about starvation among the Kampuchean people who had had to flee to Thailand and accept help from abroad in the form of rice, canned food, clothing and medicines.

But today, Thais who live along the border (in some places) find themselves in a situation similar to that experienced by the Kampucheans since the fields cannot be harvested, with the result that the rice stores are exhausted.

The villagers have tried to solve the problem by doing other things such as collecting forest products or garden produce and selling these things at the market in order to earn [money] to purchase rice.

Another problem is that the rice sold at markets such as those in Aranyaprathet sells for 90-100 baht per tang [1 tang equals 20 liters], which is expensive for villagers with low incomes.

Thus, the thing that they have done to solve this problem is to buy rice from Kampucheans who received the rice from international organizations, which had previously purchased the rice from Thai farmers.

The villagers purchase rice from Kampucheans who have established villages along the Thai border for only 50 baht per tang.

Villagers who have more money purchase large quantities of rice from the Kampucheans along the border and then sell it to Thai villagers for a profit.

And that is not all. The Thai villagers living along the border also purchase other types of consumer goods from the Kampucheans such as blankets, clothing and raincoats.

About 2-3 years ago, Kampuchea needed large quantities of such consumer goods. But now, when we visited these Khmer villages, almost every time we walked past a house (or hut made of cogon grass and bamboo) the villagers would ask if we wanted to "buy something."

It may be wondered what is used to purchase goods. The answer is Thai currency. And if it is asked what the Kampucheans need this money for, the answer is that they want to purchase goods from Thailand.

The items needed most by the Kampucheans are medicines. If they have money, they will ask Thais to purchase common medicines for them, including Thamchai medicine [aspirin] and medicine to relieve stomachaches.

Other types of goods traded include medicinal herbs that the Kampucheans gather in the forests and timber.

But there have been reports that the Khmer coalition government has prohibited timber trading since it wants to preserve the timber for building government offices.

Something that I have heard but that I have not seen personally is that "marihuana" is sold. It is said that the Kampucheans grow large quantities of marihuana and sell it to Thais along the border for 150 baht per kilogram. These Thais then take it and resell it to other Thais for 500 baht per kilogram.

Concerning this trade between the Thai and the Kampucheans along the border, it can be said that people really engage in this for personal survival. This is

because, first, the people who are engaged in these activities are the villagers who live along the border and, second, they are not engaged in this in order to make huge profits. This is simply a necessity of daily life since the purchasing power of the villagers on both sides of the border is not very great.

This matter should not lead to any long-term problems if this is carried on in this area only. But if it reaches the point where such business activities are carried out in a united way, this will be troublesome and this will create other problems.

But it is not likely that the type of border trading that arose before will arise this time since, at present, the military is keeping a close watch on things.

The things that I have related here are just meant to inform people about "Thai-Khmer life along the border." Readers should not think that there is anything else behind this.

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